

THE LITTLE
ENTENTE
JOHN O. CRANE

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THE LITTLE ENTENTE



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THE
LITTLE ENTENTE

BY
JOHN O. CRANE

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TO
THOMAS GARRIGUE MASARYK

INTRODUCTION

THIS survey is an interpretive study of the Little Entente system, the defensive alliance set up in 1920 by Czechoslovakia, Rumania and Jugoslavia for the express purpose of maintaining and defending the new *status quo* in the Danubian basin. Just how effective a factor the Little Entente has been in preserving the peace in Central Europe can be suggested by recalling the outward circumstances which gave birth to this unique system of diplomatic collaboration. East of the Rhine, two great Empires (Austria-Hungary and Turkey) had been swept off the map, and two other mighty Monarchies (Germany and Russia) had crashed to the ground.

These epochal upheavals left the entire area of Eastern Europe and the Balkans in smouldering ruins. The summer of 1920 saw the newly formed armies of *Polonia Restituta*, under the command of Marshal Pilsudski, beat the world-crusading legions of Russian Bolshevism back from the very gates of Warsaw. Rumania was able to hold on to her generous acquisitions from Bessarabia to Transylvania only by dint of a reign of terror. The sway of the new régime at Belgrade was from time to time challenged by violent outbursts in Mace-

donia and deliberate acts of non-coöperation in Croatia. Ambitious Greece under the helm of Premier Venizelos had pushed the whipped, yet unbeaten, Turk back into the heart of Anatolia. International disturbances loomed large on every horizon. Upper Silesia, Danzig, Vilna, Teschen, Burgenland, Fiume, Albania, Bessarabia—to mention only a few at random.

Central Europe in 1920 was in scarcely happier circumstances. The Hapsburg Empire, having passed off the world stage for good and all, left a sorry heritage for the new states to build on. Lack of basic provisions, shattered communications, bitter disputes over “occupied territories”—all these manifestations of post-war hysteria and disorganization held in check the process of improving the tone of interstate relations. The year before, Vienna, impoverished and blockaded, came perilously near following the suit of Budapest and Munich in clutching the gospel of Bolshevism as the easiest way out of her plight.

Suddenly, ex-King Charles of Hapsburg escaped from his Swiss exile in a plane. Setting foot on Hungarian soil during Easter Week of 1921, he gave new proof of his resolve to regain the Crown of St. Stephen and to take up the lost cause of restoring integral Magyarland to her place in the sun. Not alone did this ill-advised adventure of the last Hapsburg Monarch cost Hungary dearly; it was a thrust aimed at the heart of all Succession States, including the new Republic of Austria. In short, Central Europe was in dire need of some organ-

ized force to defend the peace settlement from subversive attacks on all sides and to pave the way towards mutual reconciliation and coöperation. Such was the primary reason for setting up the Little Entente system.

Other factors were at work elsewhere in Europe which favored and even sponsored the establishment of some such vehicle of diplomatic coördination as the Little Entente. The downfall of the German and Austro-Hungarian Monarchies heralded the military triumph of the Allies, and this event in turn sealed with success the efforts of the smaller Allies to enlarge their territories, or to hoist the banner of statehood and freedom, as was the case with Poland and Czechoslovakia. One and all, they had been duly recognized as falling within the category of "Allied and Associated Powers"—that is, as active belligerents struggling against the Central Empires. Before the Peace Conference came to a close, there became manifest a fundamental harmony of interests between France and the smaller Allies.

The eclipse of Russia in the summer of 1917 left the Allies without a military support on Germany's eastern flank. The signing of the Treaty of Brest-Litovsk between Soviet Russia and the Central Powers, followed, perhaps not unnaturally, by Allied intervention in the Russian civil war, turned an exhausted friend into a dangerous foe. Out of the Russo-Polish war of 1919-20 grew the Franco-Polish alliance which gave France a new guarantee of security in case of trouble with either Soviet Russia or Germany. Likewise, France promoted

the rise of the Little Entente with a view of extending her influence in the Danubian basin and as acting as a healthy check to the German *Drang nach Osten*. With Austria and Hungary out of the picture, the Little Entente was destined to become the diplomatic heir to the former Dual Monarchy, with this fundamental difference—that it threw its weight on the French side of the scales.

The smaller allies stood in sore need of support and encouragement from some Great Power, and they were only too willing to show their special gratitude to France for helping them realize their national liberation. Yet these nations had manifestly not thrown off the Hapsburg yoke merely to fall into any trap of diplomatic domination. Their plea of "Central Europe for the Central Europeans" was at bottom an ambition to prove themselves worthy of the rank of full-blown statehood and independence. From the very outset, the Little Entente sought to collaborate with the Allies on the basis of full equality.

It is no deep mystery that the political calculations of European countries at that period were still largely dominated by the ancient doctrine of the balance of power. Little courage was then manifest in putting the principles of the New World to a decisive test. America had turned her back upon the peace settlement when the sceptre of famine and confusion stalked across war-torn Europe. The forces making for peace and security were desperately slow in overtaking the cohorts

of war and disorder. Just how close the League of Nations came to being still-born in that fateful winter of 1920 can be better imagined than stated: it was out of sheer desperation as much as a stroke of conscious statesmanship that the Allies called the first meeting of the League Council.

Six months later, in the summer of 1920, the first step leading to the formation of the Little Entente was taken by Czechoslovakia and Yugoslavia. Its enemies naturally proclaimed that it, too, was still-born. True, during the early years of its functions, the Little Entente bore, perhaps inevitably, a defensive, even negative, character; at times its acts and pronouncements took on a bellicose tone. As conditions settled down in the Danubian basin, however, the alliance gradually developed into a system of diplomatic coördination with a constructive program aiming to bring about a régime of healthy collaboration with neighboring states. The capacity of the Little Entente to push forward along these lines was primarily the result of its statesmen being able to function as a *diplomatic unit* upon all occasions. In large measure, the efforts of the Little Entente group have fallen into line with the work of economic reconstruction and political consolidation accomplished by the League of Nations.

There would appear to be good reasons why this short book might be of interest to American readers. For it is in reality the story of the attempts of the Little Entente leaders to provide the basis of lasting peace in

just that part of Europe where the fatal spark of world conflagration was struck some sixteen years ago. We can now say one thing with all certainty about the catyclism which befell Europe in the years following the royal assassination at Sarajevo. It was not caused by the frenzied act of mistaken patriotism: the powder magazines along the Danube were charged to the exploding point by the Hapsburg policy of repressing and perverting profound economic and social forces. Two recent works bring out this point with convincing clarity—Professor Seton-Watson's "Sarajevo" and Professor Jaszi's "The Dissolution of the Hapsburg Monarchy."

This book is an interpretation of the position and utility of the Little Entente today. It is based on the relevant documents and on personal talks with various leaders in the Danubian States during the seven years that the author has lived and worked in those countries. To list the names of those who have helped him form his conclusions would perhaps be beside the point. They know well his gratitude, and the author only hopes that they will in some small degree feel rewarded for the generous assistance rendered him through this candid survey of the European situation as viewed from the angle of the Little Entente.

The author is especially grateful to Mr. Leo Pasvolsky, Dr. Rudolf Ullrich and Mr. William Vogel for their helpful collaboration in preparing this study.

JOHN O. CRANE

PRAGUE, July 1, 1930.

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PART ONE

THE ESTABLISHMENT OF THE
LITTLE ENTENTE

CHAPTER I

THE LITTLE ENTENTE AS A DIPLOMATIC UNIT

THE LITTLE ENTENTE system grew out of the political and diplomatic circumstances under which the leaders of the three nations worked together during the war. Associated with the Allied Powers in a common cause, these men of vision, especially President Masaryk and Dr. Benes of Czechoslovakia, the late Nicholas Pashich of Jugoslavia, and the late Take Ionescu of Rumania, were quick to grasp the necessity of coördinating political action with a view to preserving the fruits of victory which the triumphant states were all preparing to arrogate to themselves. The momentum of forces making for the formation of the Little Entente was checked only momentarily by the territorial squabbling which took place at Paris. Indeed the Peace Conference provided the representatives of the smaller countries with an excellent object lesson of the advantages of acting together in the handling of questions of mutual interest.

The more immediate causes for creating the Little Entente were rooted in the situation which resulted in Central Europe from the collapse of the Austro-Hungarian Monarchy. Following the formal separation of Hungary from Austria came the territorial dispositions

of the Peace Treaties which deprived both of these countries of roughly three-quarters of their area. Erected on the ruins of the Dual Monarchy were three countries which may be classified as victors and two as vanquished. The defeated countries, that is, the new Austria and the new Hungary, accepted their humiliating situation only under protest. Consequently, the victorious countries, Czechoslovakia, Rumania and Jugoslavia felt the urgent necessity of protecting their new status, owing to the undisguised moral repudiation of the peace settlement shown by their former enemies.)

The new governments in both Vienna and Budapest flatly disclaimed responsibility for bringing on the Great War, but popular feeling against the peace treaties was more violent in Hungary than in Austria. There were several reasons for this fact which were inherent in the organization of the two countries before the war and in the manner in which the last Hapsburg Monarch abdicated his throne.

Both Austria and Hungary before the war had a population which was far from being racially homogeneous. In Austria, besides the dominant German race, there were large Slav minorities in Bohemia, Moravia, Galicia, Dalmatia, Bosnia, and elsewhere, an Italian population in South Tyrol and Istria, and a solid bloc of Rumanians in the Bukovina. Hungary, in addition to the ruling Magyar group, contained Slav minorities in northern Hungary, Croatia, and elsewhere, and a Rumanian minority in Transylvania and the neighbor-

ing Banat. Now whereas Austria possessed a more or less decentralized administrative system, with several local Diets, Hungary was a unitary state with a highly centralized administrative apparatus, under which only the province of Croatia and the Free City of Fiume enjoyed any degree of autonomy. Thus, the breaking away of the already more or less self-governing, non-German territories from the Austrian Crown was much less of a shock than the surgical dismemberment of Hungary. The administrative centralization of Hungary was in itself due in some degree to the strongly developed policy of denationalization which Austria herself had given up as a bad job more than half a century ago.

The spirit of bitter protest exhibited by Hungary was also due to certain technical aspects of the abdication of King Charles of Hapsburg and to his later adventures. Charles, who was both Emperor of Austria and King of Hungary, had in either case refrained from making a formal abdication, having merely issued a public declaration suspending his reign and renouncing all share in the government.¹ This act did not constitute a legal abdication in Hungary, for, under the law of the land, the Act of Abdication must be countersigned by the Prime Minister and ratified by both Houses of Parliament. Neither of these steps having taken place, several leaders at Budapest seized upon the alleged invalidity of the abdication as a pretext for their claim that the Treaty of

¹ This technical point was of no great moment in Austria, where a republican régime had been set up.

Trianon itself was not valid, since Charles, still held to be the legal King of Hungary, had neither signed it nor was he bound by it.

The political chaos prevailing in Hungary during 1919 was due in large part to the inability of successive Governments to obtain better peace terms. The weak republican Government headed by Count Karolyi, which had forced Charles off the throne, fell under the pressure of popular discontent and incompetent leadership. The Communist régime under Bela Kun, who succeeded in jockeying Karolyi out of office, was followed in a few months by a Nationalist Government, headed first by Archduke Joseph and then by Admiral Horthy, who was duly elected State Administrator (Regent) on March 1, 1920. Law I of 1920 formally reëstablished the Monarchy in Hungary. The Horthy Government finally signed the Treaty of Trianon, but, while this treaty was formally ratified by the National Assembly, the ratification was accompanied by open protests against the "flagrant injustice" of the terms imposed upon a humiliated foe. This spirit of resentment against the peace settlement is a guiding political force of Hungary to this day.

The principal stipulations of the treaty to which Hungary took violent exception regulated the territorial allotments whereby large blocs of Magyars found themselves within the frontiers of neighboring states. While Hungary herself was left with a population of about eight millions, there were some 1,600,000 Magyars living

in Rumania, 750,000 in eastern Czechoslovakia and about 500,000 in Jugoslavia.² Never for a moment has Hungary concealed her resolution to seek a revision of the treaty, at least to the extent of restoring to her the territories populated mainly by these expatriated brethren.

Here, then, was a tangible and all-important interest which was common to all three of the victor states profiting from the dismemberment of the territories once belonging to Austria-Hungary. Wanting back something which they had taken away from her, Hungary was flatly outspoken in her determination to achieve this restoration. A path of coördinated policy directed toward frustrating this design was indicated to the victorious countries. Already drawn together by the collaboration of their leaders during the war, they now put their heads together to work out ways and means of insuring joint action in a common cause.

The early proposition, sponsored by the late Take Ionescu of Rumania, envisaged a binding alliance to be created among all the victor states between the Aegean and the Baltic Sea.³ The plan actually put into force was the Czechoslovak proposal for a regional agreement with sharply defined aims. Moreover, Czechoslovakia contemplated in such an alliance something more than an organization for insuring the maintenance of the peace settlement. Looking ahead, Prague statesmen foresaw that the small newly created states would inevitably find themselves, were each of them to act inde-

² See page 176.

³ See page 105.

pendently, playing the rôle of mere satellites of the Great Powers. Only by careful planning and acting in unison could the three victor states of the Danubian basin exert any decisive influence in the affairs of Europe.

As Czechoslovak Foreign Minister, Dr. Benes was faced with the task of transforming this conception into a living and working reality. His tactical skill and his shrewd evaluation of things seen and unseen in the art of politics were perhaps the principal reasons why the Little Entente was set up without delay on a solid foundation. Dr. Benes soon earned the honorary title of "Father of the Little Entente." Under his unique guidance, the Little Entente has upon occasion exerted the influence of what can perhaps be called a *diplomatic Great Power*.

* * *

To return to the main current of events leading up to the formation of the Little Entente: Ex-King Charles was sent from his place of exile in Switzerland a protest against the assumption of power at Budapest of Archduke Joseph of Hapsburg. While it was not Charles' protest which unseated the Archduke, the incident was sufficient to put the statesmen of the victor countries on their guard. Moreover, the whole trend of developments in Hungary which brought Admiral Horthy and his White Guards to power with the backing of the Allies was pointing to the probable necessity of united action on their part at no distant date. Rumania, after

advancing her forces to the banks of the Tisza, even went to the extremity of occupying Budapest in the late summer of 1919, before the arrival of the Counter-Revolutionary Government under Admiral Horthy.

The attitude of the Great Powers was also pushing these countries in the same direction. They resented the fact, for example, of being classified by the Supreme Council as "Powers with limited interests." They were rather taken aback by an incident in the summer of 1920 when the Supreme Council contemplated accepting an offer from Budapest to send troops to assist Poland in her war against Red Russia. Largely as a result of the Czechoslovak protest, this offer was ultimately rejected, but the incident was another proof of the necessity for the Danubian countries to reinforce their position in the handling of questions of direct and vital concern to them.

The first fruit of the Prague policy was the conclusion, on August 14, 1920, of a treaty of alliance between Czechoslovakia and Yugoslavia. The central aim of this compact was to assure the full maintenance of the Treaty of Trianon. This treaty was supplanted in 1922 by a broader convention envising a policy of constructive political action. The two texts, given in Appendix A, are well worth careful comparison.

It was on March 27, 1921 that Charles returned to Hungary to make good his claim to the Crown of St. Stephen. The existing alliance between Czechoslovakia and Yugoslavia enabled these countries to act jointly

to frustrate the restoration coup at Budapest. Rumania also seized the occasion to coöperate with them, and less than three weeks after Charles had to quit Hungary, Czechoslovakia and Rumania signed a convention of alliance whose terms were identical with the first treaty of the Little Entente system.⁴ Thus, with the decisive backing of Prague, the late Take Ionescu, as Rumanian Foreign Minister, was able to persuade the Bucharest Government to abandon its policy of haphazard individualism in dealing with problems of common interest.

Less than two months later, after Rumania and Jugoslavia had finally come to an agreement over frontier delimitation in the rich province of the Banat, these two countries concluded a similar convention⁵ of defensive alliance. The scope of this pact went farther afield than that of the two proceeding conventions in that it had reference to the Treaty of Neuilly as well as to the Treaty of Trianon, both Rumania and Jugoslavia having received territorial concessions at the expense of Bulgaria. The convention therefore provided for common action in the event that either Bulgaria or Hungary should attempt to upset the new *status quo*. Later in 1921, these three political conventions were duly supplemented by corresponding secret military agreements.

With the signing of these three sets of political and military conventions, the formal groundwork of the Little Entente was laid. The final step in the diplo-

⁴ See Appendix A.

⁵ See also Appendix A.

matic encirclement of recalcitrant Hungary took place through the conclusion of a Treaty of Friendship and Arbitration between Czechoslovakia and Austria on December 16, 1921. According to the terms of this convention, by which Austria became a sort of associate member of the Little Entente, the two countries guaranteed the territories respectively assigned to them, promised neutrality in the event of an attack by a third party, and agreed to coöperate to prevent a restoration of the *ancien régime*. As a result of these guarantees, Austria breathed easier over her position in the newly acquired province of Burgenland which, though ceded to her by Hungary under the Treaty of Trianon, was turned over to her only in part after a stormy plebiscite in the summer of 1921.

* * *

During the first return of Charles to Budapest, Czechoslovakia and her associates found themselves playing a decidedly secondary rôle in the handling of an incident which concerned them intimately. The direct and decisive negotiations with the Hungarian Government were carried on by the Conference of Ambassadors—that is, by the Great Powers. During his second adventure in October 1921, when the Little Entente group acted energetically and as a unit, their Governments drew upon themselves a reproof from the Conference of Ambassadors which was worded in a note announcing the decision of the Conference, as follows:

"I have the honour in the name and on behalf of the Conference to tell you that the Allied Powers firmly count that in a situation so serious the Czechoslovak Government and the other Governments of the Little Entente will reach no decision and will undertake no action before reaching an agreement with the Allied Powers represented in the Conference."

The dictatorial tone of this communication left no illusion with the Little Entente statesmen as to the attitude of the Great Powers towards them. True, in the liquidation of the Hapsburg affair they ultimately won for themselves the recognition of their special interest and a position of collaboration with the Great Powers. Yet it was abundantly clear to them that they must develop their technique of working together as a diplomatic unit in the general field of international policy.

This conviction was further strengthened by an incident which grew out of the restoration affair. The Little Entente powers demanded that Hungary reimburse them for the expenses incurred in the mobilization of their forces, the claim applying exclusively to Czechoslovakia which was the only country to mobilize. The Conference of Ambassadors refused this petition. Yet four months later, when France put forward a similar claim arising out of a mobilization against Germany, the demand was acceded to by a conference of Allied Finance Ministers.

* * *

Not long after the liquidation of the restoration crisis, an occasion arose which served as an opportunity for

the Little Entente powers to test the efficacy of concerted diplomatic action on their part. This opportunity came in connection with the Genoa Conference of 1922.

The official announcement of the engagement of King Alexander of Yugoslavia to Princess Marie of Rumania brought together the heads of the Governments of the Little Entente in Bucharest. This occasion was used for an informal conference, in which Poland also took part. At the end of these conversations, the following communiqué was issued:

"The Governments of Rumania, Poland, Yugoslavia, and Czechoslovakia have agreed on a common policy at the Genoa Conference. Preoccupied with assuring to Europe a normal political and economic life, they have recognized the necessity . . . of a meeting at Belgrade of experts who will determine the common point of view to be placed before the Conference."

After several sessions at Belgrade in March 1922, the experts worked out a program which was referred back to the respective Governments. The Premiers and Foreign Ministers of the four countries then met at Genoa for the consideration and acceptance of these proposals during the first days of the international conference. As a result of acting together as a solid bloc, the Little Entente and Poland won for themselves full representation on all the commissions and played an important rôle throughout the Genoa Conference.

Soon after the Genoa Conference, the marriage of Alexander and Marie on June 8th brought together in Belgrade the Foreign Ministers of the Little Entente

countries. This served as an occasion for a further exchange of views, Poland again participating, and this time a decision was taken to repeat the Genoa tactics at the Hague Conference which was to deal solely with the Russian question. A far-reaching decision was also taken in Belgrade to hold periodic meetings of the Foreign Ministers of the Little Entente for the purpose of coördinating policy. Eleven such conferences have been held to date.

Finally, the Little Entente states have succeeded in carrying the principle of acting as a diplomatic bloc to Geneva where they enjoy full representation on the permanent commissions. Czechoslovakia was elected to the League Council in 1922 where her Foreign Minister, Dr. Benes, played a useful and prominent rôle for the next four years. When the rules governing membership on the Council were revised in 1926, the precedent was established for the Little Entente Governments to be elected in rotation on the basis of the three-year period for non-permanent members. By virtue of this decision, Rumania was duly elected as a member of the Council to sit until September 1929, when the Assembly chose Yugoslavia to fill her place.

* * *

To sum up: the Little Entente system was set up to preserve the territorial and other provisions of the peace settlements. Its efficacy in protecting the common interest of its member states against hostile attacks and un-

friendly movements has been maintained through its ability to function as a *diplomatic unit*. Later on, as occasion arose, the mechanism thus set going has been turned into more constructive channels of international policy. Before this phase of its work could really get under way, however, the Little Entente powers were called upon to take strong measures against Hungary upon the two occasions in 1921 when ex-King Charles of Hapsburg returned to Budapest to regain his lost Crown.

We now turn our attention to the problem of Hungary and her relations with neighboring states.

CHAPTER II

THE LITTLE ENTENTE AND HUNGARY

"The aims, pursued by the three countries of the Entente, are threatened by two things: first, by the Magyar theory of the integrity of Hungary; secondly, by the attempts of the Hapsburgs to regain their throne. The need of offsetting these opposing elements led the Serb-Croat-Slovene State, the Kingdom of Rumania and the Republic of Czechoslovakia to unite even more closely, and these closer relations were given formal expression in the defensive alliances."

—*Czechoslovak White Book on the Little Entente.*

As events turned out, it became necessary for the Little Entente powers to deal specifically with the second of these menaces before the first. The Hapsburg restoration plans from the very beginning were held to be a vital threat to their own independence. Former King Charles and his supporters in Hungary maintained that he was still bound, under the terms of the Coronation Oath,¹ to preserve the territorial integrity and the inviolability of Hungary as it existed when he ascended the throne in 1917. This pledge constituted a direct threat against those countries which had acquired portions of Hungarian territory. The Czechoslovak Declaration of Independence, for example, was typical of the attitude

¹ For full text, see Appendix C.

towards the dynastic question of those groups which had separated themselves from the Hapsburg domain.

"We cannot and will not continue to live under the direct domination of the violators of Belgium, France and Serbia. . . . Our nation had of its own free will [1526] called by election Hapsburgs to the throne of Bohemia, and in virtue of the same right it deposes them today."

When Charles set foot on Hungarian soil at the end of March 1921, the Governments of Czechoslovakia, Rumania, and Jugoslavia were violently agitated by his action. Dr. Benes promptly informed the Budapest Government through the Czechoslovak Minister there, that the weapon of blockade and military demonstration would be employed against Hungary if Charles did not quit the country. A few days later, Dr. Benes communicated to his Minister there the decision of Czechoslovakia and Jugoslavia to intervene with their full military forces, should the Hungarian National Assembly declare itself in any manner favorable to a restoration. Together with Rumania, the two countries were on the point of delivering an ultimatum to Budapest to the effect that, if Charles had not left the country by April 7th, a joint military demonstration would be made against Hungary. This ultimatum, however, was never presented, for the Great Powers intervened in the meantime, and under this double pressure Charles withdrew across the frontier.

When Charles came back to Hungary on his second

adventure late in October 1921, the Governments of the Little Entente were ready on this occasion to act with greater energy and dispatch. Following his second political demise, the last Hapsburg Monarch was removed to his final place of exile in the Azores where he died a few years later.

Yet the powers of the now fully functioning Little Entente were not satisfied with the mere removal of Charles from Hungary in 1921. Acting through the Conference of Ambassadors, they proceeded to take steps for the definitive liquidation of the Hapsburg question. Yielding to this overwhelming combination of forces, the Hungarian National Assembly passed the famous Dethronement Act² by virtue of which the nation regained the historic right of Free Election. This law specifically abrogated the rights of Charles as King, and voided of all juridical value the Pragmatic Sanction of 1723 which had arrogated the rights of hereditary succession to the Hapsburg dynasty. The law further stated that Hungary, though maintaining her ancient monarchical form of government, would postpone the election of King to a later date.

Even the terms of the Dethronement Act did not entirely allay the apprehensions of the Little Entente, and at its insistence the Conference of Ambassadors demanded from the Hungarian Government a specific clause rendering all members of the House of Hapsburg ineligible to the throne. In reply to this demand, the

² For full text, see Appendix D.

Hungarian Government made a solemn declaration whereby it undertook to consult the Conference of Ambassadors before proceeding to the election of King. It was only after this declaration that the Czechoslovak Government ordered a demobilization, and the first and last military demonstration of the Little Entente against Hungary came to an end.

At the same time, the Little Entente powers requested the Conference of Ambassadors that they should be represented on the Inter-Allied Commission of Military Control at Budapest and that they should be systematically informed of the progress of disarmament in that country. With the acceptance of this demand, the Governments of the Little Entente became definitely associated with the Great Powers in the handling of the Hungarian question.



The resulting diplomatic isolation of Budapest was a deep humiliation to Hungary. Count Bethlen, who became Prime Minister a few days after the first raid of Charles in 1921, was called to power at a dangerously critical moment in the history of his country. Moreover, his conciliatory foreign policy, inaugurated during the hopeful summer of 1921, went to smash upon the second return of ex-King Charles. Seeing his country on the brink of irreparable disaster, it was Count Bethlen who, against bitter opposition at home, engineered the passing of the Dethronement Act. The astute Magyar

Premier had to fight and win yet another desperate battle against the truculent forces of chauvinism and revenge inside Hungary before he could take the first positive step toward freeing his country from the diplomatic tutelage of the Little Entente—namely, to secure membership in the League of Nations (1922).

At first, the Little Entente opposed favorable action on the Hungarian application for membership in the League. They demanded from the Hungarian Government a formal declaration of her intention to fulfil "all her international obligations in accordance with the treaties or acts subsequent to their signature." Only after Hungary had made such a pledge was she duly elected as a member of the League. It was more than a year later, however, before the relations between Hungary and her neighbors underwent a substantial change for the better. This improvement came about as a result of the negotiations leading up to the international assistance which Hungary received for her financial reconstruction.

By the beginning of 1923, it became clear that Hungary could not stabilize her finances without foreign aid. The budgetary and currency situation had grown so disorganized that her own means were obviously insufficient to salvage state finances out of the wreckage. Foreign loans thus became an imperative necessity to the Bethlen Government,⁸ and such loans could not be

⁸ Opposition leaders at Budapest maintain to this day that foreign loans help keep the "Bethlen Dictatorship" in the saddle.

negotiated without the permission of the Reparation Commission which held what amounted to a blanket mortgage on her budgetary resources.

In April 1923, the Hungarian Government formally requested the Reparation Commission to take the necessary steps to permit the negotiation of foreign loans. Such an action on the part of the Reparation Commission involved the releasing of certain fiscal resources which could be earmarked as pledges for the proposed loan as well as the fixing of the Hungarian reparation liability and the mode of payments. The consent of the Little Entente being indispensable to any such action on the part of the Reparation Commission, the annual meeting of the three Foreign Ministers, held at Sinaia, Rumania, about that time, was devoted largely to this question. The resulting decision of the conference was a declaration in favor of international assistance for the reconstruction of Hungary similar to the scheme worked out for Austria the previous year.

The League Assembly, held in September 1923, provided an opportunity for ironing out the remaining differences between Hungary and the Little Entente on this score. Several meetings were held between Count Bethlen on the one hand and Dr. Benes, M. Ninichich (Jugoslavia) and M. Titulescu (Rumania) on the other hand. The success of these negotiations in turn enabled the League Council to announce its willingness to accept responsibility for a scheme of financial reconstruction in Hungary. After negotiations lasting several months, in

which the Governments of the Little Entente enjoyed a full share of collaboration, the reconstruction program was finally worked out and launched. Protocol One of the Geneva scheme was a formal declaration on the part of the signatory powers—that is, Hungary and the Allies—to the effect that all parties would respect the territorial integrity and independence of Hungary.

During the period from 1924 to 1927, relations between Hungary and the Little Entente states underwent a process of gradual improvement. There was indeed only one protracted incident which succeeded in stirring up any great amount of bad blood, and that was the franc forgery scandal which broke loose early in 1926.⁴ The ensuing comic opera trial at Budapest was striking evidence of the inability, or perhaps even the unwillingness, of the Government to deal severely with a band of irresponsible chauvinists led by Police Chief Nadossy and Prince Windischgraetz, whom Charles had tentatively selected as his Prime Minister in 1921.

During these years, Hungary, though no longer in the clutches of diplomatic encirclement, did not yet enjoy the full advantages of a sovereign State. As a result of the marked success of the reconstruction scheme under the direction of Mr. Jeremiah Smith, financial control was lifted at the end of June 1926. The next step of restoring to Hungary her freedom of action was the withdrawal of the Military Control Commission

⁴ See the excellent dispatches of Mr. Clarence K. Streit in the then current numbers of the *New York Times*, on this amazing affair.

early in 1927. This action was taken following the decision of the Allies in the case of Germany, and the task of watching over the régime of disarmament in Hungary was likewise entrusted to the League Council. Though the Little Entente was not fully persuaded that Hungary was living up to the last letter of her military obligations, no major objection was raised against this action.

* * *

Having thus regained economic stability and full diplomatic freedom, Hungary was now faced with a fundamental decision whether she should not try to come to terms with her neighbors. At the outset, there were good grounds for believing that such would be the line of her immediate policy. Upon the occasion of the four-hundredth anniversary of the Battle of Mohacs (1526), Admiral Horthy uttered a warm plea for an understanding with Yugoslavia whose people, he pointed out, had fought side by side with Magyar soldiery to save Europe from the Turkish peril. Response from Belgrade being favorable, negotiations were promptly embarked upon, and soon treaties of friendship and of commerce were drawn up in final form.

From one point of view, it was natural for Hungary to come to terms first with Yugoslavia. To begin with, she harbors less in the way of territorial grievances against her southern neighbor than against either Rumania or Czechoslovakia. Secondly, Hungary seeks a

commercial outlet through Croatia to her former port of Fiume. Lastly, the treaties awaiting her signature had the approval of both Czechoslovakia and Rumania.

Just why Hungary stopped short of signing those treaties remains somewhat of a mystery. Outwardly what happened was that Hungary threw over Yugoslavia in favor of coming to an understanding with a Great Power. At home, the Government was first threatened by, and then apparently succumbed to, the argument that the time was not ripe to reach a full-fledged agreement with the Little Entente.⁵ A still more decisive factor was the necessity, arising out of the parlous relations between the two countries on the opposite sides of the Adriatic, for Budapest to throw in her lot with either Belgrade or Rome. In his bid for the friendship of Hungary, Signor Mussolini had at least the implicit support of certain financial circles in London.

Consequently, Count Bethlen set out on a political pilgrimage to Rome to conclude a treaty of friendship and arbitration with Italy which he signed with Signor Mussolini on April 5, 1927. If the Hungarian Premier ever entertained any serious misgivings as to the popularity of his decision, they were doubtless dispelled by the thunderous acclaim, from populace and press alike, which greeted him upon his return to Budapest. The

⁵ Hungary at that juncture seemed willing enough to make a "separate peace" with Yugoslavia, and therefore Budapest is always dismayed to find that she can only deal with the Little Entente as a bloc.

distinguished Count Apponyi maintains that, since the conclusion of the Italian accord and the entrance of Germany into the League, the international prestige of Hungary is worth taking into account. Yet in other circles at Budapest it is an open question whether these and other advantages reaped in recent years by Hungarian diplomacy outweigh the potential benefits to be gained by coming to a sound understanding with her neighbors.

Since the signing of the Italo-Hungarian treaty, relations between Hungary and the Little Entente have indeed taken a distinct turn for the worse. There are two underlying causes which have contributed to this unfortunate state of affairs in Central Europe—namely, the prolonged diplomatic strain between Rome and Belgrade, and the flaring up of anti-Trianon agitation. These two interdependent factors have played a decisive rôle in the outcome of the principal diplomatic clashes which have taken place recently in the Danubian basin.

* * *

An incident revealing the renewed diplomatic courage of Budapest grew out of the discovery on January 1, 1928, of machine-gun parts filling five freight cars which were passing through St. Gotthard, a railroad station on the Austro-Hungarian frontier. The cars were actually on Hungarian territory, standing before a joint customs house, when they were opened by the Austrian officials who discovered that the cases marked "agricul-

tural implements" really contained parts of machine guns. The authorities demanded the immediate return of the five cars across the frontier. The Hungarians, however, turned down this demand by invoking the so-called *lex loci*.

These cars bore the following directions: "Verona to Warsaw with reshipment at Nove Mesto by the Brothers Berkovics." The Hungarian officials decided to act in accordance with rules of shipment as fixed by the Berne Convention. The shipper of the goods, duly notified through the newspapers, could not be located in Italy, and the Brothers Berkovics disclaimed any knowledge of the order. Thereupon, the authorities announced their intention to destroy the materials of war and to auction off as junk everything that was left over, so as to defray the railroad charges.

Upon hearing of this shipment of arms through Hungary, the Governments of the Little Entente appealed to the League Council to investigate the matter. The Council first requested the Hungarian Government to leave the cars intact, pending the arrival of a commission of experts to be sent to the spot. In spite of this request, however, the authorities proceeded with the destruction of the machine guns, and by the time the experts arrived nothing remained, save the débris. From the wreckage, the experts determined that all the parts necessary to compose complete machine gun units were not present. They also discovered that the débris weighed four tons less than the original shipment. At the next

meeting of the Council, a resolution was passed, accepting the findings of the commission and expressing regret that the Hungarian authorities, having been unable to find the shipper, had not followed the Council's instructions.

* * *

A far more vital affair was the protracted dispute between Hungary and Rumania in the so-called Optants question, which had to do with expropriations of property of Hungarians owing land in Transylvania who co-opted in favor of retaining their Hungarian citizenship after the war. Back in 1923, the Hungarian Government appealed to the League Council, stating that the expropriation of the lands of Hungarian Optants in Transylvania "constitutes a flagrant violation of the Treaties." This formal appeal requested that Rumania should be forced to act in conformity with the Treaties and that "full compensation for damages should be given to the injured parties."

Through the person of M. Titulescu, the Rumanian Government countered by stating that the provisions regarding absentee owners were applied with strict impartiality. The reply charged that the "Hungarian Government was not pleading for equality of right, but for a privilege in Transylvania to the profit of Hungarian nationals and to the detriment of Rumanian landowners." Moreover, the Rumanian Government considered that "the Optants' property was subject to

the national laws of a sovereign state," especially in view of the fact that the laws were in force prior to the signing of the peace treaties.

The Rumanian Government therefore rejected the proposal of the Council, suggested by Hungary, that the dispute, being a question of legal interpretation, should be referred to the Permanent Court of International Justice. The basic attitude of the Rumanian Government remained to the end that "the political and social transformation of a nation" was at stake. Hungary argued that the whole principle of arbitration was threatened by the Rumanian stand. Faced by a deadlock, M. Adatci, acting as President of the Council, invited the representatives of both Governments to Brussels where he was stationed as Japanese Ambassador. The net result of this conference was that, after both parties signed a compromise on May 26, 1923, the Hungarian Government disavowed the act of its plenipotentiary.⁶

During the next two years, a number of applications from Hungarian Optants were lodged with the Mixed Rumano-Hungarian Tribunal. These actions in turn led the Rumanian Government to deny the competence of the Arbitral Tribunal on agrarian (i.e. internal) questions, and after the Tribunal declared itself in the

⁶ The Hungarian Government denies having repudiated the signature of its representative simply because he was powerless to commit it without the agreement having been duly submitted for ratification. Whatever the real reason was behind the decision, Hungary got a substantially less favorable settlement at The Hague seven years later.

contrary sense, the Rumanian arbitrator was formally withdrawn.

The long-drawn-out case took a new turn when, on March 7, 1927, the Hungarian Government requested the League Council to abide by its obligation in such an emergency and appoint substitute arbitrators to the Tribunal to enable it to proceed with the consideration of the claims of the Optants. Apparently, the Council felt it unwise to press the issue in this sense, and so a Sub-Committee, under the chairmanship of Sir Austin Chamberlain, was then appointed by the Council for the purpose of bringing the warring parties to terms. The resulting report maintained the competence of the Arbitral Tribunal, "under certain stated conditions," to entertain claims arising out of the application of the Rumanian Agrarian Law to Hungarian Optants.

There followed on the heels of this report what has been characterized as the most brilliant skirmish of intellect and cunning which the League Council has heard in the ten years of its functions. This battle of argument was waged between the venerable Count Apponyi and the adroit M. Titulescu. Standing at the opposite poles of the earth, they in turn proceeded to shoot holes through the body of the recommendations of the Sub-Committee. From that time onward, the efforts of the Council at mediation consisted principally in putting constant pressure on the contesting parties to come to an understanding.

The deadlock seemed more complete than ever when

M. Maniu, leader of the National Peasant party, came to power at Bucharest in the autumn of 1928. Soon thereafter, the two Governments resumed direct diplomatic conversations, an increasing degree of moderation being shown on both sides. It was in the fall of 1929 that further negotiations took place at Paris with a view of working out a basis of settlement before the second Hague Conference opened its doors. Here the parties clashed over two points of fundamental importance—the figure of the indemnity to be paid the Optants, and the modality of payment. The Rumanian Government proposed that such compensation should be automatically deducted from Hungarian reparation payments, while Hungary held that Bucharest should indemnify the Optants directly. As we shall see in Chapter XI, a compromise in principle was drawn up and signed at The Hague early in 1930 which heralded the definitive liquidation of the Optants question as between Hungary and all Little Entente countries.

CHAPTER III

THE HUNGARIAN CAMPAIGN FOR TREATY REVISION

JUST as Rumania was seeking to preserve the fruits of her Agrarian Revolution, so were there certain factors in the present balance of political power in Hungary which had at least an indirect bearing on the Optants question. According to ancient practice, the Hungarian government has been run under the control of the landed aristocracy and gentry who in turn are on good terms with Jewish High Finance in Budapest. This equilibrium of forces, restored with considerable difficulty and bloodshed by the post-war Counter-Revolution,¹ accounts for the fact that, with the exception of Poland, Hungary is the only country left in Europe where the quasi-feudal régime of entailed estates is still protected by the laws of the land. Linked up with this reactionary trend of affairs is of course the possibility of a Hapsburg restoration at Budapest.

Every once in a while, there crops up in Budapest a more or less formal exchange of views on the King question. In this connection, there is invariably exhibited an acute divergence of principle between the

¹ The present Electoral Law in Hungary provides for oral voting for 199 out of the 245 seats in Parliament. The nation is still awaiting the reëstablishment of trial by jury and freedom of speech and assembly,—measures repeatedly promised by the Government.

Legitimists, who support the claims of Archduke Otto, the heir of the late Emperor Charles, and the Free Electors, whose candidate for the throne of St. Stephen was the Hungarian Archduke Albrecht of Hapsburg, up to the time of his declaration of fealty to Otto in 1930.² Between these two warring camps stands the Government whose official neutrality was again demonstrated in November 1928 when Parliament passed a law postponing the coming of age of Otto for two more years, when he would be eighteen. In this skirmish, both parties to the conflict were agreed at least to the extent that the time was not ripe for a showdown.

The cardinal tenet of Legitimism in Hungary is based on the argument that the Dethronement Act is illegal and invalid because passed under foreign pressure. Up to the present, the Legitimists, led by Count Apponyi and Count Julius Andrássy, the last Austro-Hungarian Foreign Minister in 1918, have been able to hold their ground against the onslaughts of the Free Electors, at least in the sense of putting off the solution of the King question. The leaders of this movement are in constant touch with the youthful Archduke at the Court of Lequeitio, Spain, whose education, thanks to his Mother, the ex-Empress Zita, has been largely entrusted to Hungarian priests. From all accounts, Otto is an attractive hard-working boy, having already mastered most of the languages spoken by the peoples once under the rule of the Hapsburgs. Behind these leaders inside Hungary are the

² See page 181.

Higher Catholic Clergy and a large section of landed magnates. Lastly, it is interesting to note that the statesmen who form the keystone of Legitimism are both over eighty years of age.³

On the opposite side of the fence are the Free Electors who are fighting for a "patriotic" solution of the King question. By virtue of the ancient Hungarian Constitution and the Dethronement Act, they maintain that the nation, as represented in Parliament, enjoys the inalienable right of choosing its own king. Strongly chauvinist in its attitude on both domestic and foreign affairs, one branch of this group, especially M. Julius Gombos and his cohorts, was closely associated with the White Guards, and later organized the Society of Awakening Magyars under the direction of Dr. Tibor Eckhart. The well-known fact that both these leaders are in intimate contact with Admiral Horthy needs no particular comment. Significantly enough, M. Gombos was taken into the Bethlen Cabinet in 1929, as Minister of War.

The plain truth is that the mooted King question is not of any stirring importance even inside Hungary today. Legitimism, never having boasted of being a fighting political force, has seemingly lapsed into an annual banquet affair in Budapest. In any case, the adherents of Archduke Otto gave up the expense of a daily mouthpiece in 1929. The Free Electors, on the other hand, still lack the courage to force a decision in the controversy, being content to leave Admiral Horthy

³ The death of Count Julius Andrássy was announced in June, 1929.

as Regent for the remainder of his life. Moreover, the Legitimists have definitely turned down a conciliatory overture to urge ex-Empress Zita to formally renounce Hapsburg pretensions to the Austrian throne. Should this impasse continue in effect for many years, the outcome may well be that Hungary will be "sentenced to the fate of being a Republic" for the fourth time.

The outward neutrality of the Government in the conflict over the King question is perhaps the outcome of expediency rather than of principle. Though the broad masses of peasants and workers exhibit little concern as to which way the problem is settled, no overt solution can apparently be obtained without encountering serious difficulties both at home and abroad. Here a decisive factor remains the attitude of the Little Entente and the Great Powers with whom Hungary, by dint of her formal pledges, is bound to deal before proceeding to a settlement of the question.

This brings us back to the agitation over treaty revision which lies at the bottom of the unhealthy relations between Hungary and her neighbors.

* * *

As time goes on, Hungary shows but faint signs of moderating her hostility to the territorial provisions of the treaty. The internal propaganda remains as strong as ever in the press and in the schools.⁴ A Society for

⁴ Throughout Hungary, in the trains, schools, churches and public buildings, is placarded the "National Creed of the Magyar." These three lines are chanted daily in schools, army and prison:

Treaty Revision has been organized in Budapest. Broadcast throughout the country are maps representing the brutal dismemberment of the thousand-year-old Kingdom, which bear the legend, "Nem, Nem, Soha!" This "No, No, Never!" attitude is aptly expressed by four prominent statues in Budapest, symbolizing in turn the territories lost to Czechoslovakia, Rumania, Yugoslavia and Austria. These statues, which depict Liberty struggling to free herself from the clutches of Brute Force, are arranged in a semicircle round a rostrum over which rises a flagpole, decorated with the national colors and topped by a huge hand grasping a sword. Draped upon occasion with black mourning, the statues are covered with fresh flowers from time to time. Around this rostrum are held public meetings which generally develop into patriotic demonstrations. Every Easter Saturday, just as twilight is coming on, a huge religious procession is formed outside the Basilica Cathedral. To the strains of funeral music, the solemn procession marches through the streets to Independence Square where the colors of pre-war Hungary are dipped before each statue, and the resurrection service is continued in spirit. This parade is led by patriotic leaders dressed in national costumes and by high ecclesiastics, followed by contingents of the police, gendarmes, boy scouts, girl guides and other organizations.

"I believe in one God, I believe in the Unity of my Country,
I believe in one Eternal Divine Justice,
I believe in the resurrection of Hungary. Amen."

The bitter feeling in Hungary against the peace settlement has a powerful if adventurous champion abroad in the person of Lord Rothermere. The anti-Trianon campaign of the Rothermere Press started early in June 1927 when his newspapers came out for the Hungarian cause in the Optants question. Using this dispute as a test case, the Rothermere Press, launching out on violent accusations against the Governments of the Little Entente for their alleged maltreatment of Magyar minorities, demanded territorial revision in favor of Hungary.

The anti-Trianon campaign acquired new significance in March 1928 when Lord Rothermere himself published a sensational interview with Premier Mussolini in the *Daily Mail*. In this interview, the Italian Dictator put forward some remarkable statements regarding the Hungarian question. Announcing himself in favor of a revision of the Treaty of Trianon, he said, in part:

"The inviolability of treaties must be maintained, but this principle should not prevent a modification of the details of a given treaty if, after a careful examination, such a modification should prove to be desirable."

Signor Mussolini then went on to indicate what, in his opinion, was the essential difference between the Hungarian frontiers as fixed by the Treaty of Trianon and the Austro-Italian frontier drawn under the Treaty of St. Germain. According to his theory, it was necessary to leave a quarter million of Austro-Germans inside Italy in order to make a geographic frontier, which he

characterized as "a guarantee of international peace." Though Hungary in his opinion cannot have a geographic frontier, she at least can and should have an ethnographic one.

The Rothermere campaign came to a climax in May 1928, when Mr. Harmsworth, eldest son of Lord Rothermere, paid a visit to Budapest where he was feted with extravagant enthusiasm.⁵ These events have indeed all played their part in strengthening the irredentist agitation inside Hungary. For example, a leading Budapest daily, called *Magyarsag*, about that time published an article entitled, "What is the Difference between the Versailles and Trianon Treaties?" The main burden of the argument here was that the two treaties are entirely different from each other so far as concerns the possibility of territorial readjustments. Thus, while the Treaty of Versailles formally prohibits all modification of frontiers established under it, the Treaty of Trianon envisages, in the text of the covering letter signed by M. Millerand, the possibility of such revision. This is the juridical basis of the Hungarian claim. Moreover, in contrasting the treatment accorded to Germany on the Rhine and to Hungary on the Danube and Drave, the *Magyarsag* demonstrated that Hungary was deprived

⁵ There are those in touch with Lord Rothermere who are clear in their minds that he once nursed the glamorous dream of being himself called to the vacant throne of St. Stephen. However that may be, his treaty-revision campaign has more than once wrecked important negotiations opened up between Hungary and her neighbors, more often than not, to the annoyance of Budapest.

of strategic bridgeheads on the two rivers which form a part of her new frontiers. The article wound up with an appeal to the Great Powers to explain why Germany has been treated with such comparative leniency.

This article is a fair sample of a wide-spread attitude in Hungary today. The declarations of the Hungarian Government are hardly less definite in this matter. During the parliamentary debates over the Budget in April 1928, M. Walko, Minister of Foreign Affairs, stated:

"There is no doubt that the Treaty of Trianon enters the cycle of problems which await solution. The Hungarian Government has never concealed the fact that it considers the treaty unjust and that it will never cease in its efforts to obtain a modification of the treaty by all peaceful means. The world public opinion begins to realize that the Treaty of Trianon was based on data and arguments presented by only one side. Hungary is determined to obtain in this matter a just and amicable solution by means of international conventions, because she wants peace and because she is using all efforts to establish better relations, especially with her neighbors."

The statesmen of the Little Entente look upon Hungary's adherence to the Briand-Kellogg Pact as a step in the right direction, and they are not inclined to lay too much stress on the moral reservation,⁶ which the Hungarian Government made in accepting the anti-war

⁶ "The Hungarian Government gives its assent to the proposal of the Government of the United States, naturally under the assumption that the Government of the United States, together with the other Signatory States, will seek a means whereby the reparation of the injustices [of Trianon] will be secured along peaceful lines."

treaty. They are rather more impressed with the miscarriage of the Rothermere campaign on all fronts. They are also aware that the German Government put its foot down on the proposal of Lord Beaverbrook to open up a similar crusade over the Polish Corridor. Lastly, less is being heard these days to the effect that a thorough-going democratization of Hungarian political life is a prerequisite to establishing normal relations in the Danubian basin. Convinced of the desire for peace evinced by Budapest, they are hopeful that the Hague agreements will now open the door to a full-fledged collaboration between Hungary and her neighbors.

* * *

While every incident tending to strengthen the Hungarian claims for treaty revision puts the Little Entente on its guard, there is within Hungary a growing belief that the alliance itself is not so formidable as it appears. This feeling is based on an analysis of the situation which perceives two points of inherent weakness in the system. These factors are the internal instability of each country of the Little Entente, and the divergence of international interests among them.

The adherents of this analysis argue that it is only a matter of time before the internal conflicts within the neighboring states will lead to their disruption. They see, for example, a good chance of a break-up in Czechoslovakia between Slovakia and Bohemia, between Serbia and Croatia in Jugoslavia, and between the pre-war

Kingdom of Rumania and Transylvania. Such a process of disintegration would end up by the former Hungarian territories returning to the fold. This would amount to an automatic solution of the problem of treaty revision.

Should this eventuality fail to materialize, however, they are counting on the inability of the Little Entente to survive as a strong combination because of the divergence of international interests among the three powers. Above all, they see each state preoccupied with a danger which threatens it from the side of a Great Power neighboring on it—Czechoslovakia threatened by Germany, Rumania by Russia, and Jugoslavia by Italy. Should these strained relations ever reach the breaking point, the Little Entente in their opinion could not hold together in view of its frankly regional character. At the same time, they are watching with deep concern the sporadic efforts made by Italy to draw Rumania into her sphere of influence which may drive a wedge between Bucharest and Belgrade in the event of a conflict on the Adriatic.

The net result of this analysis is the calculation that the broader foreign interests of the Little Entente states may become of such pressing importance that their common aims against Hungary would recede into the background and cease to be the element of cohesion binding them together. Hungarian diplomacy, to the degree that it is based on this analysis, is eager to win for itself a position of friendship with the power from which

there is the greatest likelihood of friction with one of the Little Entente countries. Hence, the importance attached to the rapprochement with Italy, since the weakest link in the present alignment lies in the relations between Yugoslavia and her Adriatic neighbor.

The next few chapters are in turn devoted to an examination of the internal stability of each of the Little Entente states and of their divergent international interests. This survey covers the more important political problems of Central Europe, without some knowledge of which it is impossible to come to any conclusion as to the inherent strength of the Little Entente and its position in the diplomatic constellation of Europe.

PART TWO

CURRENT PROGRESS TOWARDS INTERNAL STABILIZATION

CHAPTER IV

THE ACHIEVEMENT OF CZECHOSLOVAK CONSOLIDATION

THE efficacy of the Little Entente system largely depends on the degree of internal stability achieved by the member states. The first question is—can the three countries be considered as permanent national entities in the European constellation? Insofar as natural endowment and economic equipment are concerned, there is no reason at all to expect a dissolution of either Czechoslovakia, Rumania, or Yugoslavia. The important question, then, is really to what extent has each state worked out the problem of social and political consolidation.

At the very outset, the small victor powers (Czechoslovakia, Rumania, Yugoslavia), established on the ruins of the Hapsburg Monarchy, faced a set of vital problems. The issues at hand had to do primarily with internal policy, and yet they were much the same in fundamental character. For the sake of simplicity, we can examine them in each instance under four headings—the creation of administrative machinery and constitutional organization; the establishment of a monetary and fiscal system; the formation of political groupings; and the reconciliation of racial minorities.

Let us begin by seeing what progress Czechoslovakia has made in the handling of these important questions.

* * *

The Czechoslovak Republic is a country about the size of the State of Illinois. Before the war, the western two-thirds of her territory enjoyed the status of semi-autonomous provinces in the Austrian half of the Hapsburg Empire, while the Eastern third for a thousand years formed an integral part of the unitary Kingdom of Hungary.¹ Her population of nearly fourteen millions is made up of more than nine million Czechoslovaks (seven million Czechs and two million Slovaks), three million Germans, 750,000 Magyars, and 500,000 Ruthenes. The Czech and German populations live in the western provinces of Bohemia and Moravia, while the Slovaks, Magyars and Ruthenes inhabit the provinces of Slovakia and Carpathian Ruthenia. Two-fifths of the population is engaged in agriculture and about the same proportion in industry. Czechoslovakia fell heir to about two-thirds of the industrial equipment of the defunct Monarchy, and to more than one-third of its national wealth.

The declaration of Czechoslovak independence on October 28, 1918 brought to the forefront the pressing necessity of setting the administrative machinery of the new Republic in motion. Throughout the course of the

¹ The two maps at the back of the book give a general picture of the territorial changes effected at Paris.

war, the Czech leaders at home had gradually been preparing the ground with this end in view, but following the collapse of Austria-Hungary the immediate task was to find administrative personnel that would prove both competent and loyal to the new state. Thanks to the autonomous status of Bohemia and Moravia under the old Monarchy, the Czechs potentially had a well-trained staff of officials. On the other hand, the Slovaks were entirely lacking in this respect, and the loyalty of the German and Magyar officials remained in question for some years after the war. Thus, the new Government was mainly staffed with Czech officials at the outset who were perforce sent in to govern certain districts inhabited by Slovaks as well as by Germans and Magyars.

This emergency situation led to many abuses during the first few years of the Republic. Moreover, it was inevitable that the number of German and Magyar officials was greatly curtailed along with the abrupt shift of political fortunes.² Meanwhile, the essential loyalty of non-Czech officials has stood the test of time, while in Slovakia there has been a gradual substitution of Slovaks for Czechs going on as rapidly as new officials there could be trained. The early friction caused by the selection of administrative personnel has largely disappeared from the Czechoslovak scene.

² During the critical spring of 1919, when Hungary, submerged by a wave of Bolshevism, advanced her forces into Slovakia, the Magyar railroad and postal employees there walked out on strike against the newly imposed authority of Prague. This act of public sabotage cost them their posts in the civil service, without pension.

The Prague Government showed considerable competence and dispatch in disposing of the problem of constitutional organization. The National Assembly passed the new Constitution early in 1920. Thoroughly democratic and modelled on French lines, it provided for a Cabinet responsible to Parliament and a Chief Executive with no administrative burdens. General elections promptly took place on the basis of universal and equal suffrage, following which Parliament elected Professor Masaryk first President.

Rather more knotty than the constitutional structure was the problem of finding the proper working balance between centralized authority and local autonomy. The first effort in this direction met with failure, for it sought to set up the machinery for a unitary state at the expense of local self-government. Slovak and German leaders alike were lusty in airing their early grievances on this score. It was not until 1928 that the reform of local administration was carried through in its entirety under a series of laws which recognized anew the principle of organizing the four provinces as integral administrative units under the control of the central Government. These laws came into force when the Cabinet contained representative Slovak and German leaders. Thus, the administrative aspect of constitutional organization has been settled in sound fashion in Czechoslovakia.

Czechoslovakia was one of the first countries in Europe to put her currency and budget in order after the war. At the end of 1922, the currency was stabilized at the

ratio of one-to-seven in terms of the pre-war parity of the Austrian *crown*. This energetic policy of stabilization brought in its trail such a severe economic crisis that the Government was not able to balance the Budget completely until three years later. The costly liquidation of war disorganization and the urgent need of new capital outlays were important factors in causing early budgetary deficits. Since 1925, the monetary and fiscal system of the new Republic has been strengthened all along the line, and early in 1930 the currency was finally put on a gold basis.

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The formation of permanent political groupings in Czechoslovakia is a matter demanding longer analysis. During the period from 1918 to 1926, the Prague Government was dominated by the so-called National Coalition which, having carried out the revolution against the Hapsburg Monarchy, shouldered the responsibility for organizing the new state. This Coalition was composed of the five major Czechoslovak parties, leaving the German and Magyar parties, together with the Communists, in violent opposition. During these eight years, there was considerable shifting in the balance of power back and forth within the National Coalition. The first Prime Minister was Dr. Kramar, Nationalist leader. He was forced to resign in June 1919 when the first communal elections revealed a marked swing of popular feeling towards the radical labor parties. During the

next eighteen months, an able Socialist leader, the late Dr. Tusar, was Prime Minister. Then followed an intermediate period, with Dr. Benes as Premier, when the swing was back again towards the centre. Late in 1922, Dr. Svehla, founder and chieftain of the peasant Agrarian party, formed his first Cabinet. Svehla's coming to power in Czechoslovakia coincided with the gradual settling down of the political fever through which all countries passed after the war.

It was natural that the preponderant element of racial solidarity which gave birth to the National Coalition should gradually weaken as general conditions improved throughout the Republic. In its stead, there emerged the more lasting political factors of economic interest and social outlook which were precisely the rock on which the old Coalition went shipwreck. This underlying trend broke through to the surface immediately following the general election of 1925. The more sensational issues of that campaign revolved around the Hus Day incident which had led to the rupture between Prague and the Vatican.³ The result of the polling showed a distinct shift in the parliamentary voting strength of the five parties forming the National Coalition. Both the Clerical and Agrarian parties came out of the fray with several additional seats, while the Socialists lost heavily to the Communists. It was after con-

³ The Vatican withdrew its Nuncio from Prague as a protest against the memorial celebration on July 6th, the day on which the national hero of Bohemia was burned at the stake for heresy at Constance in 1415. See below page 56.

siderable delay that Dr. Svehla formed a new Cabinet which stayed in office a bare three months, and upon his resignation Dr. Cerny, a high and trusted official, formed a non-party Ministry of experts.

During the seven months in 1926 when Dr. Cerny and his Cabinet kept the wheels of government going, there took place a second revolution in the balance of political power in Czechoslovakia. The aggressive onslaughts of the Agrarian and Clerical politicians led up to the June crisis when the populace of Prague and other industrial centres was treated to a dangerous overdose of parades and counter-demonstrations by working-class mobs loudly denouncing the bills proposed by the conservative parties. The Agrarians were indeed clamoring for the introduction of a flat agricultural tariff to protect the standard of living of the peasant farmers. The Clericals, on the other hand, were agitating for an increase in the government subsidy to the clergy so as to bring it up to the salary level of the state school teachers. When presented to Parliament, the Socialist labor parties voted against these bills in loud protest on the ground that they would indirectly lead to a rise in basic prices.

These crucial bills passed into law only by dint of the fact that the Czech Agrarian and Clerical parties succeeded in mustering on their side the votes of the German parties of similar persuasion. The decisive vote therefore cut straight across the once impregnable front of racial alignment in Parliament, and from that day onwards voting has generally been along the lines of

economic class interest rather than on the basis of national sentiment. This new line-up of parties enabled Dr. Svehla to form a conservative Coalition in Parliament, and less than a month after Germany was welcomed as a member of the League of Nations, he again assumed power with two German Ministers in his Cabinet. This Cabinet remained in office until the winter of 1929 when Dr. Svehla resigned his post because of prolonged ill-health.

At this juncture, the Agrarian party turned to his trusted colleague, Dr. Udrzal, for many years Minister of National Defence, and President Masaryk duly charged him with taking over the reins of Government. The conservative Coalition held together until Parliament, in a somewhat nervous temper, dissolved itself, and new elections took place the following autumn. All extremist parties came out of the battle with damaged prestige. The rejuvenated Socialists gained heavily at the expense of the Communists, while the Nationalists and Clericals of all hues lost ground to the moderate liberal parties, labor and peasant groups alike. The 1929 elections cleared the political sky with remarkable suddenness, the only trouble being that all parties, leaving aside the Communists, German Nationalists and Magyar groups, put in a bid for choice seats in the new Cabinet. It took nearly two months before Dr. Udrzal, aided by Dr. Benes, could whip his all-party Coalition into shape, the resulting Cabinet commanding 210 out of the 300 votes in Parliament.

Let us turn now to the social basis of political stability in Czechoslovakia. Here we find that the progress of social reconstruction has followed hand in hand with the normalization of party groupings in Parliament. The overthrow of the reactionary Monarchy at the end of a thoroughly demoralizing war called for revolutionary social legislation to curb the spirit of mass discontent. The first step in this direction was the breaking up of the huge entailed estates under a radical Land Reform Act which ultimately placed most of the land in the possession of those who tilled it.⁴ The lot of industrial workers and miners has undergone substantial improvement through the introduction of the eight-hour day and a comprehensive system of social insurance. Particular attention has been paid to the problem of protection of women and children in industry, and a modern system of public health has been started. Over a thousand new elementary schools have been opened in Slovakia and Carpathian Ruthenia in a determined campaign to stamp out illiteracy in those provinces. It is no exaggeration to say that Czechoslovakia has made noteworthy progress in social reform in the first decade of independent existence.

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⁴ The broad social results of the Land Reform have been somewhat marred by an undercurrent of political favoritism and corruption on the one hand, and by the early policy of settling some Czech and Slovak farmers and legionnaires in districts once exclusively inhabited by German and Magyar peasants, mostly along the frontier.

Coming now to the problem of minority reconciliation in Czechoslovakia, we find that the three million Germans living along the frontiers of Bohemia and Moravia enjoy an importance, at least in the economic domain, out of proportion to their numbers. Since the disillusioning days of 1918, the attitude of the German leaders to the new state has passed through three rather distinct stages. The first was a policy of separatism and overt resistance to the new authorities. This policy collapsed long before the peace treaties were signed which put an abrupt stop to the Pan-German movement in Austria, and was followed by a negative attitude which sought little more than to deny the legality of the Republic. Gradually, one group among the Germans moved in the more realistic direction of what is known as Activism. This policy triumphed during the "revolution of 1926." On the other side, the Czechs have made considerable effort to meet the Germans half-way in dealing with their well-founded grievances, with the result that a working understanding has been arrived at on the basis of community of economic interests and fair treatment.

So much cannot yet be said about the position of the Magyar minority in the eastern part of the Republic. The inclusion of 750,000 Magyars inside Czechoslovakia was not an exceptional instance where economic and strategic arguments won out at Paris over the abstract principle of self-determination. Be that as it may, the Magyar minority leaders in Slovakia are still pursuing

a policy of negation towards Prague. The Government on its side is making sincere if sometimes halting attempts to meet their reasonable demands. It is perhaps inevitable that the Magyar leaders in Czechoslovakia cannot entirely shake off the influence of Budapest where feeling is still running high against the Little Entente states. The important thing to note, however, is that the Magyar population in Slovakia, largely peasant farmers, shows no signs of discontent with their status at present. Like other peasant cultivators in Czechoslovakia, they have received a more or less fair share of land under the Agrarian Reform, they have a good market for their produce, and they don't bother their heads much over political doings.

This statement also goes as a rough approximation of the attitude of the Slovak peasant who has gradually taken on a new dignity and self-respect under the Republic. That Slovakia should become a fully self-governing province was envisaged in the Constitution as well as in the so-called Pittsburg Convention which Professor Masaryk signed in America in 1918. More important than installing any preconceived system of autonomy in that province was for the Slovaks to assume their full share of responsibility in the Prague Government, and it soon became clear that this desideratum could better be gained without setting up an autonomist Diet at Bratislava, the provincial capital. If the Slovaks under Magyar rule had not more than a thousand educated leaders and professional men, as Professor Seton-

Watson has carefully estimated,⁵ today they have more than that number of schools where instruction is given in their own tongue and for the most part by their own teachers. A decade after their liberation saw the Slovaks largely in position to run their own state services.

The post-war readjustment has been difficult for Slovakia, without a doubt. The revolutionary storm which swept over Central Europe hit Slovakia with peculiar force. The newly enfranchised population became the easy prey of demagogues, Communist and Clerical alike.⁶ Religious struggles added to the general confusion, partly owing to the fact that the Catholic dioceses there remained under the ecclesiastical direction of the Hungarian Archbishopric of Esztergom. As a result of the *Modus Vivendi* which Czechoslovakia made with the Vatican in 1928, diocesan boundaries were redrawn in accordance with present international frontiers. The significance of this settlement for internal consolidation is suggested by the words of Dr. Benes who took the occasion to inform Parliament that for the first time in modern history no part of the Czechoslovak nation would remain under foreign jurisdiction of any kind.

The province of Carpathian Ruthenia presents a special problem to the Republic. Guaranteed under both the Peace Treaties and the Constitution a status of autonomy, Czechoslovakia took over this territory from

⁵ See "The New Slovakia," page 14.

⁶ Witness the Slovak Treason Trial of 1929 when Professor Tuka, after rather harsh treatment, was sentenced to prison on evidence of none too a substantial character.

Hungary with a population largely illiterate and without political training. In such a case, the granting of the responsibility of self-government must necessarily be a gradual process. Prague set about immediately to develop public instruction, sanitation and roads, with the result that gradually there is coming to the fore a class of young officials and school teachers, all of them Ruthenian Russians. That political discontent should still exist in the province is more due to growing pains than to alleged maladministration. Indeed, both Slovakia and Carpathian Ruthenia are slowly moving in the right direction of democratic development, and most of their responsible leaders have repeatedly demonstrated their entire allegiance to the Republic.

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Czechoslovakia has thus shown a high degree of political maturity in handling and solving its vital problems of internal consolidation. An important element in achieving internal stability has been the calibre of leadership provided by President Masaryk and his two principal collaborators, Dr. Benes and Dr. Svehla. Their contribution to the art of statescraft in post-war Europe has yielded many positive results, some of which we have noted above. Perhaps more important for the future of the Republic is the less tangible influence which their example and work are exerting in moulding the rising generation of leaders.

To sum up, Czechoslovakia shows no signs whatever

of breaking asunder either through the dissensions of the German minority or through the secession of Slovakia. Economic forces are steadily working in the direction of domestic consolidation, and the political sentiment of the country is unmistakably making for constructive effort. The amazing nation-wide demonstration in honor of President Masaryk on his eightieth birthday on March 7, 1930, was another proof of the internal solidarity which the Republic has achieved in the first decade of independent existence.

CHAPTER V

THE RUMANIAN STRUGGLE FOR INTERNAL STABILITY

WE now come to consider the trend of internal developments in Rumania, at present a country roughly the size of New Mexico. As a result of territorial allotments under the Peace Treaties, the pre-war Kingdom of Rumania, known as the Regat, was enlarged by the annexation from Hungary of the Province of Transylvania, part of the Banat, and a strip of land along the fringe of the Hungarian plain; from Austria it took over the province of Bukovina; and from Russia the province of Bessarabia. These acquisitions increased the population of Rumania from six millions before the war to eighteen millions at present. More than four millions out of the total population today fall into the category of racial minorities, as follows—1,600,000 Magyars, 1,000,000 Russians, 800,000 Jews, 600,000 Germans, and a quarter of a million Turks and Bulgarians, in the Dobrudja. Rumania is predominantly an agricultural country, with four-fifths of its people living on the land and afflicted with wide-spread illiteracy.

Though Rumanian leaders were not confronted with the necessity of creating the machinery for an entirely new state, the fundamental problem of administrative

organization at the end of 1918 came to much the same thing. The two years prior to the armistice saw the Regat under the military occupation of the Central Powers. The chaotic situation, existing upon the return of the Rumanian Government to Bucharest, called for the complete reorganization of the administrative apparatus, and in addition there was the urgent necessity of improvising the administration of the newly acquired provinces. The adventurous march of Rumanian troops into Budapest in the fall of 1919 and unsettled conditions along both the Russian and the Hungarian frontiers were factors which contributed to disastrous delay and irregularity in handling important questions of state organization.

The early policy of the Rumanian Government was to send out Regat officials to govern the new provinces. This action was fraught with grave consequences and abuses against which both the Rumanian and minority populations protested bitterly. The new provinces, with the exception of Bessarabia, enjoyed an economic and cultural standard of living superior to that existing in the Regat, and were not lacking in capable administrative personnel of Rumanian nationality. Yet the central government, which was gradually passing under the sway of the Bratianu Liberal party, was not disposed to put faith in these former Austro-Hungarian officials, regardless of their nationality. This in brief was the origin of perhaps the most rapacious exploitation of the spoils system which modern Europe has experienced.

The political excesses of the Bratianu dictatorship thus became the central issue in the struggle for power at Bucharest between the champions of democracy and the cohorts of reaction.

In disposing of the problem of constitutional organization, the new Rumania was at the outset faced with a relatively simpler situation than was the case in Yugoslavia, owing to the complete absence of any movement towards provincial autonomy. The democratic constitution of 1923 provided for a constitutional Kingdom within the framework of a unitary centralized state. On the other hand, Rumania was faced with the stupendous problem of unifying five separate legal and administrative systems existing in the different provinces at the end of war. The slow improvement in administrative practice did not make possible the tackling of the problem of a full-fledged reform of administration and local self-government until 1929.

Despite the wide-spread disease of political demoralization, Rumania made early, though faltering, headway in putting her currency and budget in order. Budgetary equilibrium of a rather dubious kind was achieved at the end of 1922. About the same time, after a period of inflation debauchery, the Rumanian *leu* was halted in its downward plunge at the level of about half a cent, around which point it has since fluctuated within rather generous limits. The legal revalorization of the currency was put off year after year in Rumania, until finally an international Stabilization Loan was con-

cluded in February 1929. Since that date, the Rumanian Government, with the help of M. Rist, French advisor to the National Bank, has completed the process of setting up a new monetary and fiscal system.

Rumania has also worked out the proper social foundations for political stability. The principal factor in this far-reaching achievement was the radical transformation in the ownership of farm lands under the Agrarian Reform. As a result of this all-important law, which was passed under pressure of a surging tide of agrarian Bolshevism, peasants now own eighty-five percent of the arable land in small holdings. The final consummation of this agrarian revolution, which touched directly the livelihood of a third of the population, can take place only through a more intensive development of rural education and coöperative undertakings. Constructive political and social endeavor cannot be expected overnight of a nation starting off on its career of full-fledged statehood with perhaps half of its number illiterate. The Government is pushing its program of public instruction and the training of technicians necessary to carry on the business of a modern state. Slowly Rumania is also making headway in the general field of economic reorganization and consolidation.

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The evolution of political groupings centered around the bitter fight waged against the Bratianu dictatorship during the first decade of the new Rumania. The Lib-

eral party under the late Ionel Bratianu, which ruled the Regat before the war, found itself in a strategic position when the Rumanian Government came back to Bucharest after the armistice. Early attempts were made to form a coalition including the organized elements of Transylvania and other new provinces. These negotiations fell through time and again, owing to the fact that Bratianu failed to concede, notably to the Nationalist party of Transylvania, anything like the position of equality demanded. The Liberal party swung into complete control of the Government in 1922 as a result of probably the most corrupt elections known in Balkan history. For the next four years, Rumania was ruled with a heavy and at times competent hand. Up through 1926, however, the new provinces of the Kingdom were looked upon as a field of lucrative exploitation by office-seekers and concessionaires sent out from Bucharest, and the people at large were outraged by the methods employed by the Liberals to extend their grasping hand over the entire country.

Such were the circumstances under which the Parliament, elected in 1922, came to the end of its term. Bratianu saw the danger of presenting the record of his party for popular approval. He also saw that opposition to his régime was so hopelessly disorganized that he would have no trouble choosing a friendly and none too independent successor. In 1926, King Ferdinand accepted the resignation of his favorite Prime Minister and called the popular old General Averescu to power.

The last act of the Bratianu Cabinet, before Parliament was dissolved, was to pass the famous Electoral Law which would guarantee a parliamentary majority to the Averescu party.

The Electoral Law of 1926, based on a Mussolini model of the time, provided that the party polling forty percent of the votes was automatically accorded sixty percent of the seats in Parliament. This simple calculation was worked out on the assumption that any Government, with the help of official pressure and the military, would have no difficulty in obtaining the required minimum of votes. The essential purpose of the law was to keep the two popular opposition parties out of power at any cost. The first of these was the Transylvanian Nationalist party under the leadership of Dr. Maniu, and the other was the Peasant party whose potential strength stretched across the entire country. Needless to say, the elections, held in May 1926, gave General Averescu a crushing majority in Parliament.

Rumania marked time politically during the brief year that General Averescu remained in power. The younger members of his party, headed by M. Manoilescu, waged a desperate struggle to free the Government from the shackles imposed by the all-pervading power of the Liberals. The final showdown came when the Averescu Government proposed two bills—one lowering the tariff barrier on industrial articles and the other opening the doors of full equality to foreign capital—

both of which measures struck at the roots of the vested interests of the Liberals. The outcome of the struggle was, however, a foregone conclusion, for the Averescu party had neither popular backing nor the support of influential financial circles.

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The failing health of King Ferdinand in the spring of 1927 threw a new factor into the political situation which worked in favor of Bratianu's comeback. Discussion became lively and heated over the question of the Succession. Before resigning office back in 1926, however, Bratianu had provided for just this emergency by having Parliament pass the famous Succession Law which would forever bar Crown Prince Carol from ascending the throne. The bitter feud between Carol and the Bratianu party was of old standing. Seizing the occasion of the Crown Prince's romantic flight to Italy late in 1925, Premier Bratianu persuaded the King to demand of his eldest son and heir either the resumption of dignified behavior or a formal renunciation of his rights to the Succession. When Carol announced that he would not return to his Princess Helen, Parliament passed the Succession Law on January 4, 1926, under which his four-year-old son Mihai was proclaimed heir to the throne. The same law provided for the appointment of a Regency Council should King Ferdinand die during the minority of little Mihai. Under the circumstances, it was inevitable that the composition of the Regency

Council left nothing to be desired from the standpoint of the Liberal party.

The last important act of King Ferdinand was the calling back of the Liberals to power. Owing to the fiasco of the Averescu Government, Bratianu indeed took office with renewed prestige and strength. Six weeks later, on July 20, 1927, King Ferdinand passed away, and the country was thrown into a turmoil. The elections, which were called in order to provide the Liberal party with a working majority in Parliament, took place under martial law. Soon afterwards the Liberals took revenge on M. Manoilescu, who was hauled into court for High Treason, but the Government could not prove its charge that he had intrigued to bring Carol back to Rumania to regain his lost throne.

No sooner had the new Parliament assembled than Rumania was thrown into another panic by the death of Premier Ionel Bratianu, four months after the passing of the King. The Regency Council then appointed his brother Vintila Bratianu, for many years Minister of Finance and a less skilful politician, as Prime Minister. Beneath the surface, however, the country was seething with political discontent, and it was thanks to a régime of martial law that the new Premier kept his hold on the reigns of Government. In November 1928, he was finally forced to give way to Dr. Maniu, the Transylvanian leader.

The collapse of the Bratianu dictatorship in Rumania hung on the rise of the National Peasant party, repre-

senting the amalgamation of the two parties which Bratianu succeeded in keeping out of office for a full decade. After a host of compacts and election agreements, the final fusion of these two parties took place in 1927 when the late Ionel Bratianu came back to power for the last time. On the occasion of the anniversary of the union of Transylvania and Rumania on May 10, 1928, the National Peasant party organized a giant demonstration at Alba Julia, the Transylvanian capital, for the purpose of threatening the Bratianu Cabinet with a mass march on Bucharest if it did not resign. Though neither the resignation nor the march on Bucharest materialized, it was only a matter of time until fear of wide-spread disturbances would force the Regency to oust the Liberals from power.

During the summer of 1928, the Liberal Government was in process of negotiating the floating of a Stabilization Loan abroad. The National Peasant leaders took advantage of these crucial negotiations to put pressure on their enemies. The formal decision of the party to abstain from the tenth anniversary celebrations of Greater Rumania, if they should come with the Bratianu Cabinet still in office, was broadcasted with an eye more to domestic consumption. The next barrage went home. This was the announcement of the Opposition that for its part Rumania would not consider herself bound by any international contract, meaning the Stabilization Loan, which was ratified by a Parliament elected by fraud and violence. M. Bratianu soon handed his

resignation to the Regency, which was accepted, much to his astonishment.

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The first acts of the Maniu Cabinet were the direct outcome of the new Premier's democratic professions. The régime of press censorship and martial law was immediately abolished with a view to reassuring public opinion that the country would be treated to the luxury of free and honest elections. These elections took place without disturbance the middle of December 1928. In some sections of the country, public feeling was running so high, however, that no Liberal candidates presented themselves for reëlection. Thanks, ironically enough, to the Bratianu Electoral Law, the National Peasant party gained an overwhelming majority in the new Parliament.

The coming to power of Dr. Maniu is the most hopeful development in post-war Rumania in the process of domestic consolidation. The new Premier is a leader of stout courage and probity. A true democrat, he enjoys the confidence of work-a-day people. No one is more aware than Dr. Maniu himself of the Herculean task confronting his party. He knows that the gaining of political maturity and morality is a long uphill fight, not to be accomplished on the spur of a moment's enthusiasm. His party has launched out on a well-balanced program of economic and social reform. Perhaps the acid test of his régime will be the ability he shows in

composing and controlling the discordant voices and youthful enthusiasm which inevitably crop up when such a large and heterogeneous party comes to power for the first time. Here Dr. Maniu is struggling to maintain the delicate balance between the radical peasant elements of his party, led by his Minister of Agriculture, M. Mihilache, and the more conservative section taken over from the original Transylvanian Nationalist party, founded by Dr. Maniu himself in Hungarian days.

The new Cabinet set about its business of reform in competent fashion. In July 1929, Parliament passed a bill revamping the administrative apparatus in the direction of provincial decentralization. This law bids fair to be the doing away in large part with the much-abused concentration of power in the hands of the old Bucharest bureaucracy. The unhealthy régime of privileged protection, instituted in the heyday of Liberalism, has been abolished by a general scaling down of the tariff level and the suppression of agricultural export taxes. A good beginning has been achieved in providing cheaper loans for peasant farmers through the newly established system of credit coöperatives, and the excellent 1929 harvest generally strengthened the fiscal foundations of the country. Moreover, M. Madgearu, Minister of Finance, has embarked on the arduous task of modernizing budgetary practice and public accounting. Earlier in the year, as Minister of Commerce, he drew up the new Tariff Act as well as a more equitable Mining Law which allows foreign capital to participate

on terms of equality with domestic firms. M. Madgearu also took a hand in reorganizing the Rumanian state railways.

The National Peasant régime has already weathered several severe storms, such as the one which blew up in October upon the death of M. Buzdugan, member of the Regency Council. Before the deceased Regent was actually in his grave, however, M. Constantine Saratzeanu, non-party jurist, was nominated, elected and sworn into office. This speedy work, however necessary in the circumstances of Balkan politics, caused friction within the Cabinet between the peasant leaders and the dominating Transylvanian faction. Where the Government encounters unbending resistance is in its campaign to get rid of official corruption and incompetence, whereas its Liberal opponents are constantly shouting that the country is in danger of being ruined by ill-considered reforms. For example, M. Duca, former Foreign Minister, made a savage attack on the new administrative reform in July, saying that "the bill alters the once unitary character of the State and destroys the Constitution." However that may be, the nation is still firmly behind the Maniu régime, as evidenced by the fact that the National Peasant party maintained a substantial majority in the communal and municipal elections held early in 1930.

The Maniu Cabinet, after eighteen months in the saddle, has to its credit a solid record of accomplishment. The new leaders have indeed introduced an entirely new tone into Rumanian politics. So far as one is able

to judge at present there is no reason why the National Peasant party should not remain in power for another year at least. One thing is clear in any event—the Liberal party, crushed by the blow of disaster and moral repudiation, is slowly undergoing a process of regeneration. This movement within Liberal ranks may end by the throwing out of M. Vintila Bratianu as titular head of the party and the rise to power of the younger generation, led by M. Duca, for many years Foreign Minister. Even should M. Bratianu come back to power tomorrow, his party would take office under vastly different terms than it did before the death of King Ferdinand.

The tortuous evolution of political groupings in Rumania has finally ended in the formation of a two-party system. On the one side is the conservative party which happens to call itself the Liberal party, the party of property, vested interests and High Finance. On the other side is the progressive party which goes under the name of the National Peasant party, representing the people, the masses, the peasants. The rise to power of the latter party under Dr. Maniu and the accompanying reorganization of the Liberal party as the real conservative party of the country are good evidence that Rumania is at last working out political groupings of a sound representative character.

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The dynastic problem in Rumania has more than

once taken on grave proportions since the war. In the twilight years of King Ferdinand, the Liberals played the rôle of "court party," and on occasion enjoyed a none too savoury repute. Prior to Prince Carol's sensational flight back to Bucharest in June 1930, the Monarchy was indeed rescued at two dangerous junctures—once at the end of the war when the Bratianu Government passed the agrarian reform laws, and again in 1928 when the Regency Council capitulated to the moral challenge thrown down by the Maniu party. Though the setting up of the Regency Council in itself put a curb on court intrigues, the death of Buzdugan, late in 1929, deprived that important body of its only outstanding member. Yet the desperate efforts made to fortify the symbol of the Monarchy by fostering the legend of the "Boy King" did not carry convincing weight in the judgment of his exiled father.

His mind made up, Carol dashed home in the fullness of time primarily for the purpose of gaining his rightful Crown and of proving his worth as a ruling Sovereign. The first objective he achieved with a display of acumen and dispatch, the prodigal Prince having acted with the knowledge and approval of the Maniu Cabinet. As a point of formality, the Government resigned; indeed, the events provoked by Carol's arrival moved along too briskly for the ever-cautious Premier to handle. The Regency Council called upon Dr. Mironescu, retiring Foreign Minister, to throw together a stop-gap Cabinet charged with the sole duty of arranging for Parliament

to proclaim the new King. Such was the simple expedient whereby the Council prepared its own grave. Two days after his arrival, on June 8th, Parliament without a dissenting voice proclaimed Carol King of Rumania. The Act in question nullified the dethronement regulations engineered by his arch-enemy in 1926 and provided that the reign of Carol II should date from the day of his father's death. The Prince of Alba Julia was the title given Little Mihai on this occasion.

After twenty-four hours of hectic labor, the Mironescu Cabinet withdrew from the scene, and King Carol turned to his trusted collaborator, Dr. Maniu, to form an all-party Government. The National Peasant party declined this undertaking, again showing its unwillingness of coöperate with the Liberals who were absent from Parliament on the historic day of June 8th. Marshal Presan of war fame then attempted to organize a Cabinet which, if successful, might well have ended up in a military dictatorship. Having thus shown the Army his appreciation for its critical support during the coup, King Carol allowed Dr. Maniu to reconstitute his Ministry, as before, out of National Peasant ranks. A prominent newcomer in the Cabinet was M. Maniolescu, who was probably the effective liaison between the Government and Carol in exile.

While the Government was settling down on its old foundations, the Liberal party was in the throes of dissension caused by the rigid anti-Carol stand taken by Vintila Bratianu, who openly scored Carol's return as

unconstitutional and illegal. The younger, more alert members of the party, led by Professor George Bratianu and quietly backed by M. Duca, came out boldly in favor of the new ruler. On July 9th, however, the elder Bratianu allowed himself to be received by King Carol in informal audience. Characteristically enough, he was careful not to issue any statement after his reception at the Royal Palace. This uncompromising attitude inflicted real damage to party prestige, but the youthful rebellion led by his new nephew could make little headway so long as Vintila Bratianu kept his fingers firmly on the party purse-strings.

When King Carol originally urged Dr. Maniu to form an all-party Coalition, he was probably aware that a political truce between the Liberals and the National Peasant party was out of question. Yet the gesture proved to be a good weapon to carry out the intent of his first proclamation to the nation. This was a solemn promise not to follow a policy of revenge and resentment against those who had sought to obliterate the "spiritual ties" uniting him with his Fatherland. The proclamation opened up with the moving appeal: "Penetrated by a great love for my country, I have come into the midst of my people, in accordance with my promise, to be the protector of my son and the guardian of my country."

In seizing the Crown from the brow of his son Mihai, Carol was unquestionably sincere in his belief that he was thereby saving the Monarchy from grave disorders in the not very distant future. The question thus arises

—what are the prospects that Carol will turn out to be a competent ruler? Clearly it is within his power to render unique services to the nation. His personality is well entrenched in the hearts of his people, and the Army is back of him almost to the last officer. The smooth manner in which the June coup went off strongly suggests that the best elements in public life have shown their readiness to coöperate. There is some danger, however, that Carol in the long run will lack the necessary steadfastness and political courage to help mould Rumania into a healthy modern democracy. His well-known admiration for Signor Mussolini and his system, and the experience of King Alexander, his brother-in-law in Jugoslavia, may in a crisis lure him into the treacherous labyrinth of military dictatorship.

King Carol at present is faced with the urgent problem of reaching an understanding with Princess Helen. The gentle dignity and firmness of his divorced wife during years of ill-treatment and humiliation at his hands made a deep impression on his subjects. Indeed, the Maniu Government has refused to go ahead with coronation plans until such a reconciliation is accomplished, at least in its political implications.¹ While the legal brains of Bucharest are busy working out a formula for annulling the royal divorce, the Dowager Queen Marie has turned her towers of persuasion on Princess Helen. Not

¹ Having forfeited the King's confidence, Dr. Maniu gave way to Dr. Mironescu as Prime Minister in November 1930, the assumption being that M. Titulescu, Rumanian Minister at London, will soon be called to form a concentration Cabinet.

until Carol wins her over to his cause will the King be a *persona grata* at the Courts of Western Europe, particularly in London—a delicate point for a new Sovereign who can ill afford to be without such moral recognition.

* * *

A disquieting factor in the process of internal consolidation in Rumania is the status of the minority races. In order to grasp the essential features of the Magyar problem in Transylvania, the point of geographical location is important to bear in mind. Only about a quarter of the 1,600,000 Magyars there live in a compact bloc in the immediate vicinity of the present frontier of Hungary. About 800,000 Magyars, known as the Secklers, are situated in eastern Transylvania along the Regat frontier. This leaves some 400,000 Magyars who form more or less scattered islands amidst the Rumanian population. There is little doubt that the Magyar peasants in Transylvania were not dealt with on an equal footing with the Rumanian peasants in the matter of confiscation and parcellations under the Land Reforms. Incidentally, this policy of discrimination did not touch the German peasants who were already in possession of the land they tilled before the war.

The discontent of Magyar peasants with their lot in Rumania does not come anywhere near taking the shape of a secession movement, and all efforts to organize such a movement from the side of the more audible ele-

ments of Magyar dissatisfaction in Rumania have proved out of place. By these elements are meant the Magyar intelligentsia who, together with the Hungarian-speaking Jews, once held a clear majority in all urban centres in Transylvania and the Banat. This class includes former Hungarian officials and school teachers who were hard hit when the Rumanian Government sent out a new staff of officials, and closed down many of the Hungarian middle schools and colleges. Large numbers of Magyar intelligentsia flocked back into Hungary proper after the war where they threw themselves on the mercy of Budapest, while those who stayed on in Transylvania found it extremely difficult to adjust their life to revolutionized conditions.

There is no occasion here to dwell on the series of attacks to which the Jews have been subjected in Rumania in recent years. Sometimes these atrocities were excused on the ground that the Jews were acting as tools of Magyar propaganda from across the border; at other times, in Bessarabia, they were charged with being Soviet agents. Popular feelings against the Jews in any given instance may or may not have been justified. It is safe to conjecture, however, that behind the cloak of these outrages stood either the fear of their economic power as village middlemen and usurers, or jealousy of their prococity as students, for Jewish emancipation is of recent date in Eastern Europe. Unfortunate as is the occasional outbreak of student demonstrations against the Jews, there are grounds for believing that

even the youthful ringleaders do not really consider the Jews in present-day Rumania as a threat to the security of the state.

Rumanian policy towards minority races has probably been at its worst in Bessarabia where Communist agitation from across the Dniester has proved a highly disturbing factor. Until the advent of M. Maniu, the former Russian province suffered from both maladministration and iron martial rule. At the time of the Tartar-Bunar uprising in 1925, Bucharest agents were roundly charged with provocative measures. At the present moment, however, the situation in Bessarabia does not appear critical, despite the existence of the military frontier with Soviet Russia. More serious in many ways is the state of unrest in the Dobrudja where thousands of Bulgarian families were rudely dispossessed of their holdings to make way for the influx of Rumanian-speaking Kutzo-Wallachs who were driven out of Greek Macedonia.

* * *

To sum up, there has been a wave of rather widespread dissatisfaction among the various racial minorities in Rumania since the war, but much of this bad feeling was equally shared by the population as a whole during the Bratianu dictatorship. The Maniu régime in its turn is making every effort to meet the reasonable grievances of the minorities. Here one must note some improvement in the calibre of local officials and police.

In any case, the sum total of these minorities is so small that they do not present a force undermining the stability of the new state.

Rumania is fortunate in that the Rumanian people from one end of the country to the other are endowed with an essential cultural and linguistic homogeneity. Despite all the troubles and struggles through which the country has passed in the first decade of its new existence, there has not been a sign of any serious movement for provincial autonomy. All political appearances notwithstanding, the country enjoys a high degree of compactness and solidarity. A few years of honest administration and hard work at Bucharest should put Rumania, with its rich endowment, on the path to upward advance all along the line.

CHAPTER VI

THE ROYAL DICTATORSHIP IN JUGOSLAVIA

WITH Czechoslovakia moving steadily along the road of stabilized progress and with Rumania definitely turning the corner in this direction, the triune Kingdom of Jugoslavia is still struggling to effect a working compromise between the diverse elements of its population. The Serb-Croat-Slovene state is a country as large as the whole of New England. Territorial acquisitions to the former Kingdom of Serbia at the close of the war involved the annexation from Hungary of the province of Croatia, the western section of the Banat, and the three counties, known as the Voivodina, lying mainly between the Danube and the Tisza; from Austria the provinces of Bosnia-Herzegovina and Dalmatia, and what is now called the province of Slovenia; and from Bulgaria the commune of Tsaribrod and a large corner of Macedonia. The Kingdom of Montenegro was absorbed into the new state as well. These annexations increased the population from five millions in pre-war Serbia to about thirteen millions in present-day Jugoslavia, divided racially as follows: 7,000,000 Serbs, over 2,500,000 Croats, 1,000,000 Slovenes, 500,000 Macedonian Slavs; and upwards of half a million each of Albanians,

Magyars, and Germans. Like Rumania, Jugoslavia is predominantly an agricultural country, with the percentage of illiteracy running high in her eastern and southern districts.

The crux of the Yugoslav situation centres around the difficulties involved in arriving at a working understanding between these different races. The Yugoslavs themselves make up the great bulk of the population, namely, about eleven out of thirteen millions. They are branches of the same race, but each one has passed through distinct historical experiences in modern times, and this process has caused the development of marked social and cultural differentiation. Take, for example, the case of the Croats and the Serbs: they speak exactly the same language, but the Serbs write it in Cyrillic letters while the Croats use the Latin alphabet. In religion, the Croats and Slovenes are Catholic, the Serbs and Macedonians being Orthodox. Having developed under Austro-Hungarian rule for many centuries, the Croats and Slovenes possess a higher standard of living today than the population of Serbia and Macedonia. Politically, the situation is the other way round. Old Serbia emerged victorious from the Balkan wars as the champion of South Slav freedom, and after the World War it was natural for her politicians to take a leading rôle in forging the new state. This policy led to an irrepressible struggle which represents as much a clash of ideas as of system. It is the conflict between the onslaught for a Greater Serbia and the ideal of a free and federated Jugoslavia.

The Belgrade Government was first faced with the pressing problem of setting up an administrative system for the new country. For three years, the old Kingdom of Serbia had wasted away under the military occupation of the Central Powers, while all the annexed provinces were groaning under the repressive war régime of the Hapsburg Monarchy. Swarms of new officials, more or less incompetent and corrupt, were sent out from Belgrade to govern the country. This policy was justified by the Belgrade authorities on the ground that, regardless of nationality, the former officials of Austria-Hungary would not be loyal to the new state. This assumption proved in most cases to be unfounded, and in the gradual readjustment which followed the great body of these Croat and Slovene officials have stayed on at their posts to this day. The key-positions throughout the Kingdom, however, are mostly held down by Serbs, particularly in the army and bureaucracy, but not in the schools and courts.

During the early post-war years, the people of Yugoslavia, as was the case in Rumania, suffered from the widespread abuse and exploitation which comes when a group of inferior culture and training is thrown into the position of ruling over provinces with a higher standard of culture. As time went on, the friction caused by the problem of supplying administrative personnel to run the new state has largely disappeared, but its essential features, deeply imbedded in the political situation at Belgrade, have been projected into the long-

lasting struggle over the working out of the constitutional organization of Yugoslavia.

The passing of the Vidovdan Constitution of 1921 was a triumph of the idea of a unitary state. The fundamental law of the land provided for the abolition of provincial autonomy and the suppression of the local Diets. The Constitution, however, envisaged a valuable system of county and communal self-government which finally came into force in 1927. An important step in the administrative unification of Yugoslavia was completed with the execution of the all-important tax reform on January 1, 1929. While the Vidovdan Constitution itself went far in the direction of centralizing authority in the hands of the Belgrade bureaucracy, the whole issue of Centralism versus Federalism became a dangerous political football at an early date. This ultimately led to the political impasse which forced King Alexander to abrogate the Constitution, dissolve Parliament, and proclaim a dictatorship early in 1929.

Yugoslavia has also made progress in handling the dual problem of currency and budget stabilization. Towards the end of 1923, the Belgrade Government succeeded in balancing its budget which has since remained substantially in equilibrium. Likewise, since 1925, the Yugoslav *dinar* has been reasonably stable at the level of about two cents, but the legal revalorization of the currency has been held up until a Stabilization Loan can be floated abroad which will enable the Na-

tional Bank to increase its holdings of gold and foreign bills. These critical negotiations have been postponed time and again owing to the parlous political situation. Yugoslavia has thus created a new monetary and fiscal system in very large degree.

We are now ready to turn our attention to the development of political groupings since the war.

* * *

The chronic political crisis at Belgrade had its origin largely in the state of public opinion in the different provinces at the end of the war. There was indeed at that time a striking similarity between the attitude of Belgrade and Bucharest politicians. The Serbians felt that they had won the war: they were naturally accustomed to rule ever since Serbia threw off the Turkish yoke. Their feeling was that their brother Croats and Slovenes, traditionally trained in a policy of opposition and obstruction to Budapest and Vienna, were far from fitted to assume the task of government. On the other hand, Croat and Slovene leaders could not always restrain a feeling of contempt for the rough-and-ready ways of Balkan politics. After the cleanliness and beauty of Zagreb and Ljubljana, they looked down on poor little Belgrade, gutted by the war. In other words, they were outsiders breaking into a new game about which they had much to learn, and in the fight for equal rights and privileges in the state which originally bore their name, they resisted the domination of Belgrade and of Serbian

politicians as leading to a Balkanization of the whole country.

Another factor of outstanding significance was that the parties at that time were all organized on a sectional basis. To begin with, there was in Serbia the Democratic party under the leadership of M. Davidovich. Then there was the veteran Radical party whose chief was Pashich, patriarch of all Belgrade statesmen and Father of Yugoslav unity. During the declining years of its founder, who died in 1926, the Radical party degenerated into the most reactionary party in the Kingdom. Though often squabbling between themselves, for Pashich and Davidovich were fervent enemies, these two parties were largely responsible for the early régime of carpetbagging and official incompetence in Yugoslavia.

As for the new provinces, Croatia was entirely under the thumb of the Peasant party whose leader was the late Dr. Radich, a man of brilliant mind, but a dangerously short-sighted politician.¹ The Croatian Peasant party was well organized, as was the Slovene Clerical party which had its own way in the westernmost province of the Kingdom. Father Koroshetz is the able leader of this party ever since Austrian days. Lastly, there was the party of Dr. Spaho, leader of the Moslem Serbs in Bosnia.

¹ Pashich could never have manoeuvred through the centralist Vidovdan Constitution, had Radich not stayed up in Zagreb grumbling about the "cultural backwardness of the Serbs." Later in his career (1928), he was among the first to urge the King to turn the Government over to the tender mercies of the army, "our national shrine."

The very nature of circumstances attending the birth of the new Kingdom played into the hands of the two leading parties of old Serbia, the Radicals and the Democrats. Their position was further consolidated through the workings of the Electoral Law passed after the promulgation of the 1921 Constitution. Thanks to this law, they gained by artificial means a preponderant voting strength in Parliament. This came about through the allotment of parliamentary representation which was calculated on the basis of the census of old Serbia, whereas the war had brought about a decrease of population from five to perhaps four and a half millions. The argument used to justify this provision was that the province of Serbia should not be penalized for ravages and losses wrought in the war of liberation.

Otherwise the Electoral Law was thoroughly democratic on paper. It provided for universal male suffrage, secret voting and proportional representation. The liberal intentions of the law, however, collapsed before the onslaught of official pressure and corruption for which Balkan elections are all too famous. This system of electoral intimidation did not extend to the former Austro-Hungarian provinces where elections themselves have been remarkably free and above board. Its worst effects were seen in Macedonia where, thanks to what amounted to martial law, the Democrat and Radical parties between them captured some fifteen additional seats.

During the early years of the Yugoslav Kingdom,

Pashich, chief exponent of the Greater Serbia program, enjoyed almost uninterrupted supremacy. It was during this period that the Radical party extended its influence into every corner of the new state. The unitary Constitution of the realm was a triumph for the forces working for centralized authority. Even as late as the general elections of 1925, the Radical party obtained a clear majority in Parliament, and its actual ascendancy was even more complete, owing to the fact that the Croat Peasant party absented itself from parliamentary proceedings in Belgrade.

During the first six years, Radich and his followers in Zagreb were pursuing a policy of passive resistance to the Belgrade Government. During this period, there was indeed considerable flirting with republican ideas in this group, and on one occasion Radich paid a sensational visit to Moscow. Late in 1924, Radich and five other Croatian leaders were thrown into prison on the charge of High Treason. Upon being released some months later, he led his party into the Belgrade Parliament where they swore their allegiance to the King. The impetuous Croat chieftain did not stop there. He soon made his peace with Pashich who included him in his Cabinet formed in the fall of 1925. This political bargain ended the understanding between the Radical party and the Pribichevich Democrats, the latter having some time earlier broken away from the main Democrat body under M. Davidovich for the purpose of joining hands with the Pashich Government.

It was during this period that King Alexander began to play a more prominent rôle in the internal political situation. Moreover, the almost hypnotic prestige of Pashich was beginning to lose its potent spell, and in the last year of his extraordinary life as past-master in the art of Balkan politics, his effective domination was already a thing of the past. His death in the fall of 1926 left Yugoslavia without a leader of commanding importance, and there soon began the phenomenon of the "bi-monthly Cabinet" at Belgrade.²

* * *

Parliamentary chaos reigned at Belgrade for the next two years. The 1927 elections broke the Radical majority in Parliament, and the ensuing crisis came to a head the following spring when Foreign Minister Marinkovich saw the necessity of submitting for ratification the famous Nettuno Conventions³ which, negotiated some years before, accorded Italian interests special rights on the Dalmatian coast. This courageous action promptly drew the fire of the Croat leaders who were holding down the opposition benches for the moment. During a heated debate in Parliament on July 20, 1928, when a Croat was making an impassioned assault on the Conventions, a deputy-desperado from Montenegro,

² More accurately speaking, nine Cabinets in something over two years.

³ They are thirteen in number, texts available in the League of Nations Treaty Series, volume LXXXIII.

named Rashich, shouting that his personal honor was at stake, fired six shots in the direction of Radich and his followers. Two Croats were wounded and two others killed point blank, while Stephan Radich was mortally stricken. The Croat Peasant party promptly withdrew from Belgrade Parliament with a vow never to return. Three weeks later, Radich succumbed in Zagreb from his wounds, and hundreds of thousands of peasants swarmed into Zagreb to pay homage to their dead leader.

Radich's last political move was to make a compact with the Pribichevich Democrats who enjoy a large Serb following in the Voivodina, Croatia and Dalmatia, provinces formerly under Austria-Hungary. Dr. Pribichevich himself was a member of the Government when the Nettuno Conventions were signed with Italy, and as Minister of the Interior he was officially responsible for the locking up of Radich and his colleagues back in 1924. For this and other reasons, it would be a mistake to place too much stress upon this agreement between the two parties which withdrew their support from the Belgrade Government in the summer of 1928. Following the death of Radich, however, an increasingly radical interpretation was put on the terms of the compact, when it fell to Dr. Machek, a country lawyer from Croatia, to assume the burden of party leadership.

The essential aim of the Pribichevich-Machek entente

in Zagreb was to force the Government to revise the Constitution on a federative basis. Their program was never explicit on this point, but they had in mind the establishment of provincial Diets in which the main powers of government would be concentrated at the expense of Belgrade authority. There was also a lot of loose talk in Zagreb about transforming Yugoslavia into a Dual Monarchy, with only the element of Personal Union binding the two component parts together. In order to bring about the submission of Belgrade, this group attempted to enforce a tax boycott at home and to vent its feelings abroad, especially with a view to undermining the negotiations for the Stabilization Loan.

Following the tragic events in Parliament, the King called upon Father Korochetz, Slovene leader, to form a Cabinet. During the six months of the Korochetz Government, the administrative machinery of the state was kept going, and there was no overt threat to internal order and security. The underlying solidarity of the country during the crisis was not alone due to the fact that the Serbian authorities held the key-posts in both army and administration. Yet during this period, little progress was made towards effecting the much-needed reconciliation between Zagreb and Belgrade. The dearth of any signs of real statesmanship in both camps was encouraging military circles in Belgrade to press their demand for an outright dictatorship. The first step in this direction came at the end of November when the Government sent General Maximovich up to Za-

greb, as Governor of Croatia, where he was greeted with bloody riots on the part of the students.

* * *

It was on January 6, 1929 that King Alexander proclaimed the Dictatorship by suspending the Constitution and dissolving Parliament.⁴ The royal proclamation assured the nation of an efficient and just administration and promised a gradual return to democratic government as promptly as the necessary reforms were made in the constitutional structure of the state. He then entrusted General Zivkovich, commander of the Royal Guard, to head up a Cabinet of military leaders and non-party experts drawn from all sections of the country.

The first effect of the proclamation was a distinct clearing of the political atmosphere in Yugoslavia. It was after all a blow to the domineering tactics of the Serbian parties, and this fact alone was the subject of what turned out to be premature rejoicing in Zagreb. The early reforms carried through by the Dictatorship provided the nation with a happy antidote to the sterile activities of the late parliamentary régime. This new blood was a health-giving force in one respect, for as Professor Beard remarked in his brilliant book,⁵

⁴ The utterly petty politics which brought about the fall of the Korochoetz Cabinet and made the King put an end to "parliamentary government" for the time being, is well described in Armstrong's "Where The East Begins" (1929), pp. 11-13.

⁵ "The Balkan Pivot: Yugoslavia," (1929) p. 174.

"Not a single Government formed since the establishment of national unity has staked its life upon any great constructive legislative program."

By the summer of 1929, however, Yugoslav opinion had lost its early hopes that the Royal Dictatorship would bring about a quick liquidation to the Serbo-Croat impasse. With the Press tightly gagged, scores of opposition figures, including both Pribichevich and Machek, became the victims of police terrorism, and the famous Sokol Society, organized on the Czech model and particularly strong in Croatia, was thrown under the official ban. The series of repressive measures, disheartening enough at home, scarcely produced a favorable impression abroad, particularly at Geneva where the Little Entente representatives put through the election of the South Slav Kingdom to the Council only with difficulty. Returning to Belgrade late in September, Foreign Minister Marinkovich exerted himself to strengthen the King's resolve to push forward with the final task of constitutional reorganization.

A royal decree, issued on October 3, 1929, announced the first step towards liquidating the Dictatorship. The official name of the Serb-Croat-Slovene Kingdom was changed to Yugoslavia, and the country divided into nine new provinces, forming administrative units to be ruled by a Governor appointed by Belgrade. These provincial administrations became the recipients of certain powers originally delegated to the Central Government under the now defunct Vidovdan Constitu-

tion. The decree envisaged the election of provincial councils set up to supervise, but not to control, the functions of the Governors. In this sense, the new administrative reform in Yugoslavia follows the example of Czechoslovakia and Rumania.

Insofar as this measure will bring a devolution of powers away from Belgrade, it marks a step forward, but its structural features move in the wrong direction. The boundaries of the new provinces inflict great violence to historical tradition, cutting as they do through the heart of old geographical and economic units. The brutal practice of electoral gerrymandering has developed new twists in Central Europe since the war; but the new administrative division of Yugoslavia decrees out of existence whole provinces which have enjoyed a long and rich history, thus destroying instead of strengthening the basis of true integration and reconciliation between the various members of the Yugoslav race. Dictated by military conceptions rather than based on political and economic realities, the administrative law may turn out to be the forerunner of serious disturbances to the Dictatorship.⁶

Yugoslavia has thus entered the second decade of her existence without her political groupings being formed on a sound basis. Some progress can be noted along this line which gives hope for the future. Parties, for example, no longer bear an exclusively provincial com-

⁶ See Professor Seton-Watson's informative article which appeared in the *London Times* for December 14, 1929.

plexion, and the Serbian parties in particular have extended their influence into every province of the Kingdom. A reconciliation between the two factions of the Democrats would turn them into a real national party. There are, on the other hand, no prospects that the leading parties of Croatia and Slovenia will abandon their provincial character in the immediate future. Here again much depends on the outcome of the experiment in dictatorship which has of course put a rude stop to organized political activity.

Police brutality in this direction showed up at its worst during the Croat conspiracy trial which ended at Belgrade on June 7, 1930, by the acquittal of Dr. Machek and the sentencing of fifteen Croats to prison. Having failed to mould together the various national particularisms into a free Yugoslavia, Belgrade now seems intent on uniting the country by crushing them under heel. Probably the next step in this process will involve the creation of a state party, framed along Fascist lines and supported by the nationalized Sokols and other patriotic organizations.



This brings us to a consideration of the minority problem in Yugoslavia. Here we find that the Government is faced by no overwhelming difficulties. Neither the Germans nor the Magyars in the north, though by no means content with their present status and treatment, form an element threatening the stability of the

state. Their numbers, less than a million between them, are too small to present a serious problem, and their leaders have shown considerable willingness to coöperate with Belgrade. Rather more troublesome have been the half million Albanian tribesmen in the southwestern corner of Yugoslavia, but barring the outbreak of a war along the Albanian frontier, there is fair reason to believe that, despite forced emigration, this phase of the minority problem in Yugoslavia will work itself out in time. On the whole, therefore, Yugoslav security is not threatened by serious danger from the side of minority races. Yet neither Yugoslavia nor Rumania has come to the point reached in Czechoslovakia, where the principal minority race has definitely put its shoulder to the wheel of state.

Here a word should be said about the special problem of Macedonia. The Macedonians bear roughly the same relationship in race and culture to the Serbs as the Slovaks do to the Czechs. There is, however, a complicating element in the situation,—by culture and language both, the Macedonians stand even closer to the Bulgarians than to the Serbs, while Bulgarians of Macedonian origin are found high up in every influential circle at Sofia. They exerted crucial pressure on ex-King Ferdinand to throw Bulgaria into the camp of the Central Powers in 1915. This was the principal cause of the long and bitter struggle between Bulgaria and Serbia over the annexation of Macedonia. The conclusion of the Balkan wars saw Macedonia divided into three parts,—Serbian, Bul-

garian and Greek, by far the largest of which went to Serbia, while Bulgaria got only a corner of Macedonia. This artificial partitionment of Macedonia, perhaps as much as the Great War, led to the economic ruin of the once fairly prosperous province.

After the war, the new Belgrade Government was not sufficiently strong nor farsighted to institute a liberal régime in Macedonia. The policy of repression and Serbianization was countered by a campaign of violence on the part of the secret Imro (Internal Macedonian Revolutionary Organization), which was originally launched back in 1903 to throw off the yoke of the Porte. This band of conspirators envisages the creation of an independent Macedonia composed of the three parts of the homeland now under "foreign rule." Its two main weapons in attaining its ends are political assassination at home and violent propaganda abroad. The spirit of discipline and self-sacrifice among the rank and file of the people who stand behind the Central Executive Committee leaves the impression that Yugoslavia is faced with a really desperate problem in Macedonia. The international complications of this deadlock, as we shall see in a later chapter, constitute an even more serious threat to Balkan peace.

The situation in which the Imro found itself in the summer of 1928, following the assassination of its chief, General Protogueroff, was truly precarious. This incident brought to the surface an elemental struggle going on between two rival factions inside the organization.

General Mikhailoff, new leader and enemy of Portogueroff, enjoys the confidence of the younger members of the organization in his effort to compose the internal strife which threatens the group with disruption. This rivalry is not so much a struggle for power between moderate and radical factions; it is rather a dispute between the Central Committee and its representatives abroad.

The Central Committee under General Mikhailoff stands for the tradition of unitary authority which it derives directly from the General Assembly of the movement. The foreign representatives, on the other hand, maintain that they get their powers directly from this sovereign body. General Mikhailoff and the Central Committee are determined to bring the foreign representatives of the Imro under their complete control. This internal strife is a fairly clear sign that the disintegration of the movement is already under way,⁷ and indeed there is good reason to state that the organization would be ready to make a truce with Belgrade today if the Yugoslav Government undertook to restore full civil liberty and to institute a régime of cultural autonomy in Serbian Macedonia.

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Thus, Yugoslavia still faces two primary problems before her internal consolidation can be considered at hand. The first of these is the final liquidation of the moral

⁷ The Mikhailoff faction has apparently received fresh encouragement and aid from Italian sources in Albania and elsewhere.

crisis in which all countries found themselves at the end of the war, and in Yugoslavia this problem persists to this day in acute form in the petty party politics in Belgrade. The second problem is the necessity of revising the constitutional structure of the state with a view to striking a balance between centralized authority and local self-government, and to providing a working basis for healthy coöperation between the component parts of the Kingdom. The failure of the new régime to bring about substantial improvement in the administrative and political life of the nation would of course damage the prestige of the Crown.⁸

The Balkanization of Yugoslav politics is a deep-seated malady which may take the country a long time to throw off. The mere federalization of the Constitution will not turn the trick, and the setting up of provincial Councils on an artificial basis may even be a dangerous move. The least hopeful sign in the present crisis is the utter dearth of leadership at Belgrade. The most promising element in Yugoslavia is the fact that the country is made up of solid, hard-working peasantry with a rich endowment of political common sense.

Indeed, Yugoslavia possesses inherent social stability which has been reinforced through the execution of a land reform and the promotion of mass education. Nothing short of a miracle, for example, has been

⁸ An official Belgrade communiqué, issued on June 5, 1930, gave the first indication of the permanent character of the Dictatorship.

wrought in public health development under the direction of Dr. Stampar.

It would thus be a mistake to overemphasize the importance of the political impasse, for the very reason that in other realms of activity the essential community of interest and sentiment of the Yugoslavs is finding a profitable basis of collaboration. The Dictatorship grasps the importance of promoting these unifying forces through the development of communications. A bridge across the Danube at Belgrade is now under construction which will bring northeastern Jugoslavia into direct touch with the capital, enabling at the same time the opening of a direct line with Bucharest. Another vital link in Yugoslav communications, as shown on the map, is the continuation of the Belgrade-Sarajevo line to Split on the Dalmation coast. Until the Government obtains the foreign capital necessary for this difficult piece of construction work, Belgrade's only connection with Dalmatian ports remains over the circuitous route passing through Zagreb.

Though Jugoslavia has not completed her process of internal consolidation as yet, there is no reason to expect that the country is proceeding along the path of dissolution. What the nation needs at present is a period of orderly development, and this is taking place, assuredly at a price, under the aegis of the Royal Dictatorship.

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In order to preserve the fruits of hard-earned labor, all

three states of the Little Entente indeed require a long, uninterrupted period of peace both at home and abroad. The pacific policy pursued by the Little Entente is thus in sound harmony with the requirements of the domestic situation in the three countries. And because of her inherent strength and leadership, Czechoslovakia remains the keystone of the Little Entente system.

PART THREE

BIG NEIGHBOR PROBLEMS

CHAPTER VII

RUMANIA: SOVIET RUSSIA AND THE BESSARABIAN DISPUTE

GETTING back again to the Hungarian thesis, the second weak point in the Little Entente's armor lies in an acute divergence of international interests among the three states which is gradually leading to a disruption of the alliance. More concretely, each Little Entente country has a big neighbor, relations with whom are causing an increasing degree of anxiety and preoccupation. This tense situation is sucking the life blood out of the system, the danger being that a conflict may arise between a neighboring power and a Little Entente state, thus involving the entire alliance as an operating system. That is, Czechoslovakia is fighting hard against being drawn into the vortex of rehabilitated Germany, Rumania is threatened in the east by Soviet Russia, and Jugoslavia is engaged in a life-and-death struggle to hold her own diplomatically against Fascist Italy.

In sum, there is no question that the Entente states are faced today with what can be termed the Big Neighbor problem. Let us examine this question in its various phases with a view to determining in just what way this problem effects the stability and efficacy of the system.

The Little Entente got under way in 1920-21 as a

regional alliance with a frankly restricted scope. Its immediate concern at that time was the preservation of the territorial *status quo* against the onslaughts of Magyar irredentism. In order to obtain a diplomatic free hand in the Danubian basin, the statesmen of the Little Entente worked out a system of coördinated action vis-à-vis the Allied Powers. This was in reality the first step in proclaiming the diplomatic independence of the successors to Austria-Hungary, the opening blast in the movement of "Central Europe for the Central Europeans." Yet outside and beyond the framework of the Little Entente, Czechoslovakia, Rumania and Jugoslavia have always had vital international interests which are a potential factor of disagreement among them. On the other hand, the existence of Big Neighbor problems acts like a cement binding together the three small allies in common diplomatic undertakings. In order to get down to the core of the Big Neighbor problem, it is necessary in this section to outline the cardinal features of the international position of each Little Entente state, taken by itself.

For reasons of chronological convenience, the status of Rumania comes first.



Immediately after the war, the new Rumania saw herself threatened on every side by enemies, real and potential. More particularly, the Rumanian Government at that time held that the hostile attitude of Rus-

sia on one side and of Hungary on the other presented problems of equal importance to the security of the new state. This was the main reason which prompted Take Ionescu, the shrewd Rumanian statesman, to propose the creation of a sweeping alliance of the victor powers extending from the Aegean to the Baltic Sea. He viewed such an alliance as the most effective *cordon sanitaire* which could be set up between Hungary and Russia, Germany and Russia, Bulgaria and Hungary, and so on. Take Ionescu was supported in this scheme by Marshal Pilsudski in Poland, the late Premier Pashich of Jugoslavia, and Premier Venizelos in Greece. Far more important, France at that time was strongly in favor of establishing a *cordon sanitaire* in Eastern Europe and the Balkans against her former enemies, particularly between Germany and Soviet Russia.

For reasons noted in Chapter I, Czechoslovakia took strong exception to the proposal to perpetuate the régime of two armed camps dividing Europe in twain. President Masaryk and Foreign Minister Benes held that the outcome of such an alliance, even granting the doubtful point of its inherent feasibility, would be two-fold—it would block the path to international reconciliation, and it would place the new states under the diplomatic tutelage of the Allied Powers. As a substitute to the proposal of setting up an all-embracing alliance, Czechoslovakia put through the Little Entente scheme with more modest and at the same time more concrete aims.

The creation of the Little Entente left Rumania with the necessity of guaranteeing her new frontier against Soviet Russia. The opportunity to conclude an alliance between Warsaw and Bucharest presented itself only after Poland and Soviet Russia made an armistice in October 1920 for the purpose of negotiating a general peace treaty, which was actually signed at Riga some five months later. In the meantime, Rumania and Poland signed a treaty of alliance on March 3, 1921 against Soviet Russia, while Poland concluded a more sweeping defensive alliance with France. The Franco-Polish treaty of 1921 was perhaps the most striking success of French military policy in post-war Eastern Europe.

Poland, situated as she is today between two potentially hostile powers from whom she took major portions of her territory, stands in vital need of support from the side of the Little Entente. The early association of Poland in Little Entente conferences gave her the status of a sort of associate member, and this spirit of coöperation is often manifest at Geneva to this day. Moreover, the frontier differences between Poland and Czechoslovakia were settled back in 1925 when Dr. Benes went to Warsaw to sign treaties of arbitration and friendship.¹ A similar convention exists between Poland

¹ For text, see League of Nations Treaty Series, volume XLVIII. Under this convention, no promises of mutual military aid are undertaken, either by Czechoslovakia in the event of Russian or German aggression against Poland, or by Poland in the case of a Hungarian attack on Czechoslovakia.

and Jugoslavia. Lastly, the 1921 treaty of alliance between Poland and Rumania was renewed, with more sweeping commitments, in 1926.² Instead of being merely a defensive alliance directed against Soviet Russia, it now provides for joint military action in the event of an unprovoked attack from any third party. That is, Poland undertakes to come to the aid of Rumania in the case of Hungarian aggression, and Rumania would likewise be drawn into a war started by Germany over the Polish Corridor or Upper Silesia.

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Rumania has to this day withheld formal recognition from the Soviet Government, and Moscow in turn disputes the legality of the annexation of Bessarabia by Rumania in 1919. The official standpoint of Bucharest holds that the act of union passed by the Bessarabian Assembly represented the free decision of the people of the former Russian province in favor of joining Greater Rumania. Moreover, the Bessarabian Convention of 1920, signed by the Allied Powers at Paris, constitutes a binding international sanction of the act of incorporation. This Convention came into force in 1926 with the ratification of the Italian Government.

In taking exception to the Rumanian thesis, Moscow argues that the Bessarabian Assembly was an illegal body and that the act of union was passed under the pressure of the Rumanian authorities. The Moscow Government

² For text, see Treaty Series, volume LX.

counters with the demand that a free plebiscite take place in Bessarabia to allow the people to express their decision as to whether the province should remain in Rumania or be turned back to Russia. It was just on this point that a whole series of conferences between official delegates of the two Governments have come to smash.³

Another point of acute disagreement between the two parties concerns the disposition of the gold belonging to the Rumanian National Bank, which was sent to Moscow for safekeeping when the armies of the Central Powers were marching on Bucharest at the end of 1916. The new Maniu Government has announced its determination to reach a definitive settlement with Soviet Russia in the near future, and it is possible that a basis of compromise can be found whereby Soviet Russia would abandon its pretensions in the Bessarabian question, and Rumania would in turn give up its claim to the gold which, after all, has probably vanished from Moscow coffers long since. Bucharest can envisage no such agreement until Moscow undertakes to put an end to subversive propaganda in Rumania, above all in the backward province of Bessarabia.

The Little Entente has formally announced on several occasions that the policy of the member states towards Soviet Russia is purely a matter of independent action

³ For an informative account of the breakdown of the last Russo-Rumanian conference, held at Vienna in 1924, see Toynbee's "Survey of International Affairs for 1924," pp. 263-265.

on the part of each. Up to the present moment, no Little Entente state has accorded formal recognition to the Soviet Government, though Prague has a consular agreement with Moscow of long standing.

The lack of diplomatic relations between Moscow and Bucharest today is little more than a formality, and in no sense can this situation be construed as an element of danger to Rumanian security. The plain fact is that the Soviet Government, notwithstanding its paternalistic professions abroad, nurses no vital desire to grab back the impoverished province of Bessarabia from Rumania. Indeed, Moscow today seems to be pursuing an entirely peaceful policy towards both Bucharest and Warsaw. Differences there still are of serious character between Soviet Russia and her western neighbors, but the Litvinov Protocol, providing for the immediate coming into effect of the Briand-Kellogg Pact, is a fair indication that the peace of Eastern Europe will not be disturbed, in the near future at any rate. This Protocol was signed at Moscow on February 9, 1929, by Soviet Russia, Poland, Rumania, Estonia, and Latvia.

To sum up, Rumania derives a certain sense of security on her eastern frontier through her alliance with Poland. Bucharest and Warsaw have constantly strengthened the bonds of mutual interest existing between them, this development being revealed in the widening of the scope of their alliance in 1926. Moreover, France underwrites the diplomatic implications

and military obligations involved in this relationship. On the other side, Moscow has manifested her desire and need for peace upon many solemn occasions, and during the winter months of 1930, the Soviet Government again denied flatly the recurrent rumors of any mobilization or reorganization of her forces along the Rumanian frontier.

The combination of these two factors—the Rumano-Polish alliance, guaranteed by France, and the pacific intentions of Moscow—indicates that Rumania is not threatened with acute danger from the side of Soviet Russia. The Bucharest Government is indeed faced by a Big Neighbor problem, but not one which in any vital sense diverts her from holding up her end of Little Entente obligations in a peace-abiding Europe.

⁴ France and Rumania signed a convention of friendship and arbitration in 1926, amounting in effect to a defensive alliance, text of which is available in the Treaty Series, volume LVIII.

CHAPTER VIII

JUGOSLAVIA: ITALY AND THE BALKAN CRISIS

THE formal interest of the Little Entente in preserving the new *status quo* south of the Danube found expression in the provisions of the Rumano-Jugoslav treaty of alliance, whereby these two countries contracted to come to each other's assistance in the event of Bulgarian aggression. Here Rumania's fear was over the status of Southern Dobrudja which, annexed in 1913, was reoccupied by Bulgaria during the World War, but reverted to Rumania after the armistice of 1918. Bucharest once pursued a repressive policy in that province, and among other things thousands of Kutzo-Wallachs were settled in Bulgarian villages. The result has been twofold—huge emigration of Bulgarians back to the homeland and tense relations between Bucharest and Sofia. To-day with the Maniu Cabinet in office, there are good prospects of removing the causes of friction between the two countries, and informal conversations have already been opened over the proposed construction of a railway bridge over the Danube at Rushchuk.

This project is connected with the plan to build a broad gauge line from Sofia down the Struma valley to Salonika. The absence of this line results in the absurd prac-

tice of transporting Bulgarian coal for Greek railroads from the Struma valley up through Sofia and across to Bourgas on the Black Sea where it is transshipped through the Dardanelles to Salonika. Up to the present, however, Greece has not fulfilled her treaty promise to provide Bulgaria with an Aegean outlet through the province of Western Thrace which was taken from Bulgaria under the Treaty of Neuilly.

Time has shown that the danger of military trouble from the side of Bulgaria has been illusory. Yet frontier raids there have been aplenty on the border between Yugoslavia and Bulgaria. We shall examine later the present relations between these two countries. In the meantime, there has arisen a fresh threat to Balkan peace in the form of a protracted crisis between Belgrade and Rome. This clash of interests is the most critical phase of the Big Neighbor problem which the Little Entente has faced to this day.

* * *

Up to the summer of 1926, there were good grounds for believing that Italy and Yugoslavia would succeed in settling their outstanding differences without further outbursts of popular feeling on both sides of the Adriatic. Back in 1920, the two Governments concluded a treaty of friendship in which the contracting parties "mutually engaged to keep watch over the strict execution of the treaties of peace signed at St. Germain and Trianon; in particular, they will adopt by common agree-

ment all measures and policy calculated to prevent the restoration of the House of Hapsburg to the throne of Austria and Hungary." This treaty was renewed and strengthened in 1924 by the Treaty of Rapallo which regulated the definitive status of Fiume, and the following year saw the signing of the Nettuno Conventions under which the Yugoslav Government recognized the special interests of Italy on the Dalmatian coast. Noteworthy is the fact that Signor Mussolini was at the helm of state in Rome for three years when these last accords were signed with Jugoslavia.

Meanwhile, Fascist Italy was becoming charged with a feeling of her historic destiny. This back-to-Rome movement was only in part motivated by purely patriotic sentiment; it was busily striking roots in the soil of economic reality. Largely cut off from emigration overseas, Italy was faced with the problem of absorbing a staggering increase of population every year. This meant industrial development at home and commercial expansion abroad, the opening up of new world markets to be protected, if need be, by political pressure. The nearest outlet for domestic products was provided by Italy's traditional influence along the Dalmatian coast, and this opportunity gave birth to the Fascist theory of turning the Adriatic into an Italian lake: a throw-back to D'Annunzio's seizure of Fiume in 1919. Here the gaunt figure of Jugoslavia stood athwart her path, a new and untried country clamoring for a much-needed outlet to the sea.

The prestige policy of Italy should also be viewed in the light of Franco-Italian rivalry in the Balkans and North Africa. It was natural that France after the war should assume the rôle of protectress over the Little Entente, and today France is bound by a defensive alliance with each of the three allies. Aiming to break the ring of French influence in the Balkans, Fascist Italy concluded treaties of friendship with Hungary, Rumania, and Greece, and is exerting strenuous efforts to draw Bulgaria and Turkey into her sphere of diplomatic influence. Italy's penetrating wedge into the Balkans lies in the buffer state of Albania with whom she has concluded a binding alliance. Over this delicate problem, Belgrade and Rome have waged an acrimonious diplomatic battle for the last four years, the end of which is not yet in sight.

Less than a year after the Fascist March on Rome, Signor Mussolini made his first aggressive gesture on the Adriatic by ordering the bombardment and occupation of the Greek island of Corfu. This venture ended in diplomatic humiliation at Geneva. Italy suddenly turned her attention once again in the direction of Albania which her forces had evacuated under pressure in 1920. The summer of 1924 saw Mgr. Fan Noli, leader of the pro-Yugoslav faction at Tirana, driven out by the pro-Italian party headed by Zogu, the present King Zog. This change of Government paved the way for the effective penetration of Italian influence and for the conclusion of a military alliance between Italy and Al-

bania which was actually signed at Tirana in November 1926. This decisive step showed that Italy had definitely abandoned her interest in a long-standing plan to make a three-cornered guarantee pact with France and Yugoslavia, which circumstance now left the two latter allies free to negotiate a separate convention.

Four months later, Yugoslavia broke off diplomatic relations with Albania because of an incident at Tirana which revealed strained feelings on both sides of the border. Following this rupture, the Italian Dictator denounced Yugoslavia for ordering a secret mobilization along the Albanian frontier, and demanded that an international commission of investigation be appointed to proceed to that district to forestall the war-like preparations of Belgrade. The Yugoslav Government promptly accepted the challenge of bad faith, but suggested that the scope of the inquiry be extended to the Albanian side of the frontier as well. This proposal was blocked in Rome. A few days later, the Belgrade representatives of the Great Powers, including Germany, conducted an informal investigation on the spot without uncovering any unusual movement of troops there. The plain fact was that Yugoslavia had already carried through her plans for military reorganization along the Albanian frontier during the period when Italy was proceeding apace with the militarization of Albania proper.

Though the war scare between Italy and Yugoslavia gradually passed off the scene during the spring of 1927,

relations between the two countries remained strained throughout the year, and press recriminations were almost a daily occurrence in both capitals. The temper of the Fascist press was clearly revealed when France and Yugoslavia signed their treaties of friendship and of arbitration¹ in November 1927, and this despite the fact that they were the first treaties of any kind concluded between France and her ally since the war. Two weeks later, Signor Mussolini countered by announcing the signing of a twenty-year military convention² with Albania which virtually transformed that little country into an Italian satellite.

The year 1928 saw some improvement in the relations between Rome and Belgrade. This clearing of the atmosphere was not a little due to the bold move of Foreign Minister Marinkovich in pushing the ratification of the Nettuno Conventions through Parliament a few days after Radich had been shot. Despite this tragedy and despite wide-spread demonstrations against Italy in Croatia, Slovenia and Dalmatia, Dr. Marinkovich had the full backing of the Government in his policy to bring about a reconciliation with Rome at all costs. Unhappily, the Italian Government was not in the mood at that time to come to terms with Yugoslavia, and the reason therefor became manifest on September

¹ The official English translation of these treaties is published in the League of Nations Treaty Series, volume LXVIII.

² Text available in Toynbee's "Survey of International Affairs for 1927," page 542, the text of the Tirana Treaty of 1926 being already published in the Treaty Series, volume LX.

1st when Zog was proclaimed King of the Albanians. Croat leaders seized this occasion at Zagreb to charge Italy again with bad faith, but the Belgrade press hardly did more than to note that Zog's title was King, not of Albania, but of the Albanians.

When Yugoslavia passed into the family of dictatorship states early in 1929, Fascist circles in Italy took evident satisfaction in commenting on King Alexander's decision, but this circumstance failed to lead to any marked improvement in mutual feeling during the course of the year. While Yugoslavia was patching up a frontier convention with Bulgaria, the emissaries of King Boris failed in their final attempt to persuade the Pope to grant Princess Giovanna the necessary dispensation to marry the Orthodox ruler of Bulgaria.³

Italy met with more success in consolidating her relations with both Austria and Greece during 1929, giving rise to Yugoslav anxiety of diplomatic encirclement. Moreover, the Belgrade press waxed warm and furious when a Slovene student named Gortan was executed at Pola in October 1929, on the charge of High Treason. Anti-Italian demonstrations broke out afresh in Yugoslavia and even at Prague, protesting against alleged persecution of the Slovene minority in Italy. On February 26, 1930, for example, twelve Slovenes were sentenced to long terms of imprisonment for disturbing public order

³ This royal marriage was solemnized at Assisi on October 25, 1930, the Vatican's condition being that, despite the Bulgarian Constitution, the children will be brought up in the Catholic Faith.

and security, and six months later four Yugoslav "terrorists" were executed at Trieste. Thus, the year 1930 opened with continued bad feeling on both sides of the Adriatic, while a Naval Conference disaster at London might well lead to further strained relations between Italy and France's ally, Yugoslavia. This estrangement of feeling is all the more deplorable in that economically Italy and Yugoslavia have every reason to get together on a constructive program of mutual endeavor.

* * *

Another outstanding Balkan danger lies in the international aspects of the Macedonian problem, especially in its bearing on relations between Belgrade and Sofia. The Bulgarian Government since the war has made every effort not to get mixed up in the Macedonian quarrel, but this line of policy has been difficult to follow in all its ramifications. The first complicating factor is that the Macedonians have traditionally played a prominent rôle in the public and cultural life of Bulgaria. Again, owing to the wholesale deportations from both Greek and Serbian Macedonia, there are today nearly half a million Macedonian refugees in Bulgaria who are a severe economic burden on the country. It was not until 1926 that Bulgaria, thanks to a Refugee Loan arranged by the League of Nations, was in position to undertake the settling of these helpless folk in permanent homes. Under these circumstances, the Bulgarian Government was handicapped in coöperating

with Yugoslavia and Greece in a joint undertaking to solve the Macedonian question, even to the extent of curbing the activities of the Imro (Internal Macedonian Revolutionary Organization) operating from inside the Bulgarian frontier. In this sense, Bulgaria was perhaps overdisarmed under the provisions of the Neuilly Treaty.

The Stambouliski régime in Bulgaria (1919-1923) made every effort to effect an early reconciliation with Yugoslavia, and the pacifist peasant Premier even went so far as to state his conviction publicly that the South Slav ideal would never be completely realized until Bulgaria was included as an integral member of a federated Yugoslavia. Stambouliski and a host of his followers were assassinated in 1923 during the Tsankoff coup d'état which unleashed the forces of violence within Bulgaria, and it was not until M. Liapcheff became Prime Minister three years later that Bulgaria returned gradually to normal political life. This process of internal consolidation was substantially aided by the floating of the Refugee Loan in 1926 and of the League Stabilization Loan in 1928, despite the acrimonious discussions which preceded their final acceptance both in Sofia and Geneva.

During the last few years, relations between Sofia and Belgrade have remained in a parlous state. No sooner would signs of improvement appear on the Balkan horizon than a bloody clash would occur on the frontier, sometimes between gendarmes of the two

states and other times between Yugoslav gendarmes and a band of Macedonian rebels attempting a clandestine crossing. In the latter case, Belgrade would renew its demands that Sofia Government take steps to aggressive action against the activities of the Imro. Public opinion in Bulgaria, on the other hand, has felt all along that the repressive régime in Serbian Macedonia was responsible for the deplorable acts of violence. Matters finally came to a head in October 1927 when the Serbian Commander in Macedonia, General Kovachovich, was shot by Macedonian agents as the last of a series of brutal acts in the terrorist campaign initiated four months earlier. Holding that these assassins came from Bulgaria not long before, the Yugoslav Government closed the frontier and kept it bolted against Bulgaria for the next sixteen months.

It was during the period of high tension between Belgrade and Sofia that there occurred the earthquake in South Bulgaria during April 1928, and the disaster evoked expressions and acts of sympathy from the side of Yugoslavia which augured well for the future. This circumstance led General Protogueroff, the Macedonian chieftain, to advocate a more moderate policy towards the Yugoslav régime in Macedonia which on its side was showing signs of improvement. This bold step on General Protogueroff's part was probably the reason for his undoing at the hand of an extremist in July 1928.

The assassination of the rebel leader in turn prompted Great Britain and France to make a joint protest at

Sofia urging the Liapcheff Government to abandon its neutral policy vis-à-vis the Imro. Though this Franco-British intervention probably erred on the side of vigorousness, it was timely in the sense that Bulgarian opinion had cooled off considerably in its outlook on the Macedonian problem. During the fall of 1928, there took place a private conference between General Mikhailoff, the new Macedonian chieftain, and a group of prominent Bulgarians. The latter came back with the conviction that the Imro was now in the mood to treat with the Yugoslav authorities on the condition that a régime of cultural autonomy and civil liberty be instituted in Serbian Macedonia in short order.

It seems unfortunately clear that the military dictatorship at Belgrade is not prepared to make immediate concessions in this direction. On the other hand, the Yugoslav Government opened the Bulgarian frontier early in February, 1929. A conference between Bulgarian and Yugoslav delegates promptly took place thereafter at Pirot where two points of dispute were disposed of, the more important of which was the setting up of a neutral zone running along both sides of the frontier. Within this zone, the respective authorities have the right to expel any person not resident in the district. Other questions were discussed in a preliminary way at the Pirot meeting which may have far-reaching consequences along the path of coöperation and understanding between the two South Slav peoples.

By the middle of February 1930, the mixed Commis-

sion which grew out of the Pirot conversations completed their arduous labors at Sofia. Two agreements were signed of fundamental significance to Serbo-Bulgarian relations—one regulating the maintenance of frontier order and security, and the other settling the contentious question of double property. On March 10th, the Sofia Parliament pushed through the ratification of these conventions on the urgent plea of Foreign Minister Bouroff.

This step followed on the heels of the fourth bomb outrage in South Serbia during the month following the signing of the agreements. The machinery of the new mixed frontier commission promptly set to work examining into the circumstances of the crime, Yugoslavia demanding energetic measures against the culprits several of whom were named. Representatives of the Great Powers at Sofia, led by Great Britain, made formal interventions, and the Bulgarian Government promised speedy and effective action against the Macedonian revolutionaries. The pro-Mikhailoff organ, published at Sofia, calmly announced during the crisis that recourse to bullets and bombs against Serbian tyranny was necessary since the League of Nations had entirely ignored the latest Imro petition.

The status of Bulgaro-Yugoslav relations at the opening of spring 1930 is thus as follows. The Pirot agreements have laid the basis for reconciliation and collaboration, but progress along this tortuous path is constantly

⁴ For text, see *L'Europe Nouvelle*, Paris, for March 15, 1930.

blocked by Macedonian violence. Further outrages occurring along the frontier will probably force Yugoslavia to demand a forceful suppression of the Imro which in turn will place the Bulgarian Government in a dangerous position.⁵ Mutual coöperation and patience are vital at all costs, and above all Yugoslavia must realize that her most effective weapon in bringing about the dissolution of the Imro lies in a liberalizing régime in Serbian Macedonia.

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M. Venizelos' return to power at Athens in 1928 was a hopeful sign on the stormy horizon of Balkan politics. For years following the debacle of Greek arms in Anatolia which resulted in the flight of King Constantine and M. Venizelos, relations between Greece and her neighbors have been on a thoroughly unsound footing. The year 1923, when the critical negotiations were proceeding at Lausanne for revamping the impossible Treaty of Sèvres with Turkey, saw the Corfu incident. Yugoslavia at the same time was pressing the new Republic to make good on its promise to create a Yugoslav Free Zone at Salonika. The year 1924 saw the ex-

⁵ Bulgaria took another step in checking Imro lawlessness when on August 11, 1930, the Government ordered the arrest of the redoubtable General Mikhailoff, chief of Macedonian extremists. Though Sofia has been under constant diplomatic bombardment, the actual decision in this instance seems to have been due to the courageous foresight of the new Minister of Justice, former Premier Tsankoff, who in 1928 was instrumental in persuading the late General Protogueroff to initiate a policy of legal action and moderation.

piration of the Greco-Jugoslav treaty of friendship. During following year, the Pangalos dictatorship started the erection of the Jugoslav Free Zone at Salonika, but this privilege was cancelled in 1927 by his successors whose coup put an end to his régime in Athens. The Greek Parliament on this occasion denounced the proposed commercial convention with Jugoslavia. Moreover, the isolation of Greece in the Balkans was already complete as a result of the raid of Greek gendarmes into Bulgarian territory in October 1925. Such was the parlous state of Greece's foreign relations when M. Venizelos returned to power in the summer of 1928.

M. Venizelos lost little time in embarking on a conciliatory foreign policy upon his return to Athens. His first political pilgrimage was to Rome where he signed a treaty of friendship with the Italian Dictator. A similar convention was signed between Jugoslavia and Greece shortly afterwards, upon which occasion the controversy over the Jugoslav Free Port at Salonika was cleared up in a fashion moderately satisfactory to both parties. M. Venizelos has opened negotiations for similar treaties with Bulgaria, Rumania, and Turkey. Two points of long dispute still block the path to reconciliation between Sofia and Athens. The first obstacle arose when Greece refused to implement, or carry out, the Molloff-Kaphandaris property agreement, already duly ratified, when the reparation authorities decided to grant Bulgaria a second reduction in her reparation payments on account of the earthquake disaster.

Far more complex is the Bulgarian demand for an outlet to the Aegean Sea, owing to her having lost Western Thrace to Greece under the Treaty of Neuilly. This matter gets back to a haunting fear on the part of Greece that a rapprochement between Bulgaria and Yugoslavia might involve a parallel push down the Struma and Vardar valleys converging on Salonika. Shades of 1912,—when Greek troops rushed into the prized port almost under the cover of Bulgarian guns which were blocking the path of Turkish reinforcements through Western Thrace.

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This summary of Balkan relations is not complete without some word suggesting the strong undercurrent of mutual rancor and hatred which gnaws at the vitals of the body politic of every country in the storm centre of Europe. It seems to be the inescapable circumstance of these relations that no two countries can make the faintest gesture of friendship or collaboration without arousing the suspicions of all other parties. Such steps are invariably interpreted as being an ominous threat directed against other neighbors no matter how remotely their interests or feelings would seem to be touched. No permanent pacification of the Balkans is likely to take place until a new generation of leadership is reared which has not passed through the nightmare of a decade of war atrocities and mass deportations.

Under present circumstances, it is a sheer figment of

imagination to talk about a Balkan Locarno. Today it is all too easy to make a sweeping denunciation of the official policy of the states involved. Yet we must realize that the starting-point for Balkan peace is a whole-hearted reconciliation between Yugoslavia and Bulgaria, and the keystone to this problem lies in Macedonia. Another essential point in Balkan equilibrium is the full independence of Albania, but this prospect is farther from realization today than at any time since the war. The most that can be hoped for here is that Italy will not continue her provocative policy in Albania.⁶ Belgrade is not far from the mark when characterizing this policy as smacking dangerously of pre-war Austrian flavor.

Such is the nature of the Big Neighbor problem which Yugoslavia faces today. Unhealthy relations with Italy since the war have blocked her from developing a normal commercial outlet through Fiume.⁷ The tension on the Adriatic coast may ease up in time through the construction of new railways and ports in Dalmatia. Yugoslavia and Greece are likewise finding it difficult to come to a satisfactory understanding over Salonika rights. If something should occur to close up this door to the

⁶ Italy hits back at the Little Entente on this score, charging that France and Czechoslovakia between them are actively encouraging the arming of Yugoslavia, though it is overshooting the mark to suggest thereby that Franco-Yugoslav relations stand on the same footing as do Italian interests in Albania.

⁷ Today the tiny Yugoslav port of Susak, once a mere suburb of Fiume, is booming, while Fiume finds itself in an ever deepening rut of depression.

Aegean, Yugoslavia would be forced to bargain with Bulgaria over transit right to the Black Sea. Yet this is only the economic side of the question: Yugoslavia is patently blocked from importing munitions in the event of war with a maritime power.

Balkan relations being what they are in the year 1930, there is often need of the weapon of effective mediation to stave off the threat of war. It goes without saying that the Big Powers, particularly France and Great Britain, use their office constantly in this direction. Czechoslovakia is also in position to play such a rôle, thanks to her having held aloof from the Balkan commitments involved in the Rumano-Yugoslav treaty of alliance. Yet recurring Serbo-Bulgarian frontier clashes indicate a diseased condition auguring ill indeed for the extension of Little Entente influence in the Balkans. Here, then, is another capital reason for the peaceful policy of the Little Entente.

CHAPTER IX

CZECHOSLOVAKIA: GERMANY AND *ANSCHLUSS* PROSPECTS

THE LITTLE ENTENTE group faces a Big Neighbor problem of different character in the relations between Czechoslovakia and Germany. Even during the dark days of the Ruhr occupation, there was never an excessive strain between Prague and Berlin, and since 1924 there has been a steady growth of better feeling all along the line. Two underlying causes have contributed to this improvement—Czechoslovakia took only a tiny corner of territory from Germany after the war, and Bohemian Germans have come to a working understanding with the Czechs in nearly all spheres of activity. In 1925, Czechoslovakia and Germany signed a treaty¹ of compulsory arbitration at Locarno which laid the foundation of good sound relations for both Governments to build on. The friendly attitude of both countries was well exhibited when Dr. Benes paid his first visit to Berlin shortly after the German elections of 1928.

When we come, however, to examine further the question of Czecho-German understanding, there at

¹ The official English translation of this treaty is published in the League of Nations Treaty Series, volume LIV.

once appear two major obstacles standing in the way. The first is largely an economic problem which looms up in the guise of the commercial penetration policy of Germany. The second obstacle to full-fledged collaboration is the problem of the *Anschluss* (Austro-German union). To this very day, Czechoslovakia remains adamant in her efforts to prevent the *Anschluss* from taking place, and in this matter she has the full backing of both France and Italy. The *Anschluss* is the key to Czechoslovakia's Big Neighbor problem, and we propose to look at it from different angles—the Austrian, the German, and the Little Entente. This survey will lead us to a consideration of the factors in the general situation which are important to the stability of the Little Entente.

There is no need here to recite the story of Austria's plight at the end of the war. Strangled by a double blockade and flanked on three sides by hostile states, the feeble government of the new Republic made a desperate effort to salvage the wreckage by merging Austria with the German Reich. This escape movement met with a stern veto from the Peace Conference, and finally Article 88 of the Treaty of St. Germain stipulated: "The independence of Austria is inalienable otherwise than with the consent of the Council of the League of Nations." Germany formally recognized Austrian independence in a diplomatic act of November 22, 1919. The juridical significance of this treaty provision is simply that a single vote on the League Council can

block any move at Geneva towards bringing about the *Anschluss*.

Circumstances in Central Europe in 1919 forced Austria to come to terms with her neighbors, and her main efforts in this field were directed towards getting relief, first in foodstuffs and then in raw materials for her paralyzed industry. Progress in this direction was painfully slow, but the situation cleared up somewhat as a result of the economic conference held at Porto Rose in the summer of 1921 where the heirs of the Austro-Hungarian monarchy met for the first time to discuss matters of mutual interest, particularly communications. More helpful in these emergency years, however, was the international aid which Austria got, especially from the American Relief Administration. During this period, the attitude of the Allies towards Austria went through three successive phases. The plan to get reparations out of Austria collapsed before the crying need of relief action, which in turn gave way to the program of financial reconstruction.

Up to 1925, the trend of events abroad pushed Austria more and more under the shelter of the Little Entente camp. Striking evidence of this orientation of Viennese foreign policy was the conclusion of the political convention between Czechoslovakia and Austria in 1921 whereby the latter undertook to help the Little Entente maintain peace on all fronts. Nor was this policy devoid of all tangible results in the strengthening of Austria's position both at home and abroad. Without the

moral backing of the Little Entente, to mention only one case, it seems unlikely that Austria could have held her new position in the Burgenland against the Magyar irregulars who blocked the Austrian authorities from taking over the provincial capital of Sopron. What might be called the pro-Ally foreign policy of Vienna, embarked upon by Chancellor Schober, was carried to its logical conclusion by Mgr. Seipel in 1922.

It was in the autumn of that year that the able chancellor-priest of Austria brought to a successful issue the negotiations for financial reconstruction under the League guarantee and supervision. Along with Great Britain, France and Italy, Czechoslovakia took an equal share in the guaranteeing and floating of an international loan. In connection with the Reconstruction scheme, a protocol was signed on October 4th, 1922, at Geneva, which opened with the solemn declaration that both Austria and the Allies "respect the political independence, the territorial integrity, and the sovereignty of Austria." Such were in brief the circumstances attending the birth of the experiment to prove the viability of present-day Austria.

During the next three years, Czechoslovakia and Austria made repeated efforts to work out a formula for creating a preferential customs system in the Danubian basin. The turning point in these negotiations came in 1925, the year that the provision expired under Article 222 of the St. Germain Treaty, envisaging such preferential treatment between Czechoslovakia, Austria

and Hungary. Some months before the lapsing of this treaty privilege, a conference of Czech and Austrian experts took place with a view to drawing up a concrete agreement to present to the Big Powers for sanction. These negotiations broke down, owing to the insistence of Rome that Italy should enjoy full and equal rights in any such customs régime in the Danubian basin. The attitude of the Fascist Government of course destroyed the very intent of the effort to recreate the Austrian Empire, so to say, on an economic footing. Since that time, the Danubian States have fallen back on the piecemeal policy of improving commercial relations through the conclusion of tariff conventions along most-favored-nation lines.

Since 1925, Austria has taken an increasingly independent stand in her foreign policy vis-à-vis the Little Entente group. Two events brought this point to light. The first was the conclusion of a treaty of friendship and arbitration² with Czechoslovakia on March 5, 1926 to supplant the 1921 accord which turned out to be too binding an instrument for those circles in Vienna which have again taken hope of reviving the *Anschluss* movement. Yet there is no doubt that the 1926 treaty is more satisfactory to all parties concerned, being the first application of the Locarno method to the problem of Danubian relations. Secondly, Austria in the spring of 1927 denounced the expiring tariff convention with Czechoslovakia, and it was only after some months of close bargaining that a new commercial treaty was

² For text see Treaty Series volume I I

signed between the two countries. This action on Austria's part was indicative, however, of her growing disillusionment over the economic trend of affairs, and this feeling of hopelessness in turn gave rise to a growing desire for closer relations with Germany.

* * *

There are two main causes contributing to the recent revival of the *Anschluss* movement in Austria—economic maladjustment and lack of will to survive. As to the first, the plain fact is that the League reconstruction scheme, though putting Austrian finances in excellent shape, stopped short of helping in a thoroughgoing reorganization of production. Austria continues to have a huge import surplus in her foreign trade, amounting to an annual average of \$150,000,000, and every winter there is an acute unemployment crisis, a quarter of her workers being permanently idle. Although since the spring of 1927 Austria participated in the general upward movement of business which took place all over Europe, Vienna grew more and more convinced that continued prosperity was entirely dependent on the economic situation in Germany.

Moreover, the feeling of economic dependence on Germany seems to run parallel to an amazing lack of will-power to struggle along as an independent state. The truth of the matter, of course, is that Austria shows no signs of developing a strong sense of national patriotism, as distinguished from the sterling local pride of the Tyrolese or the Viennese.

It appears that the stand of Austrian political parties in the *Anschluss* question can be largely discounted as being subject to change without notice. In any case, it is clear that the ultimate decision of a given party will be determined by a variety of considerations. For example, the Austrian Clericals would prefer political suicide rather than vote for joining a Germany dominated by Marxist Socialists, for such a move would only end in strengthening their arch-enemies in Vienna.

The case of the Clericals, the party of Mgr. Seipel, who resigned the Chancellorship at Vienna in 1929, is interesting in other respects. This party stands out stoutly against the *Anschluss*, and yet its centre of strength is in the rural districts where, in the Tyrol, for example, the peasant has always looked with sympathy to joining hands with his brother in Bavaria. This same peasant would never willingly submit to the harshness of Prussian rule, the apprehension of Prussian domination being general all over Austria. Again, there is the Austrian Socialist party on the other side of the political fence, which has at times paid flattering tribute to the *Anschluss* ideal, and yet Austrian labor looks with strong disfavor at working under either the less liberal social laws of Germany or the less easy-going ways of a superintendent from the Reich. It is interesting to note in passing that the Socialist party to-day is increasingly lukewarm in its advocacy of the *Anschluss*.

From the economic standpoint, the problem of Aus-

tria essentially is the problem of Vienna, the centre of power and influence. It was the Socialists who carried out the revolution against the House of Hapsburg, and since that time they have politically had the upper hand in the municipal government of the capital. What might be loosely called Viennese feeling is resolutely opposed to the *Anschluss* which, if effected, would entail the reducing of the great city to the status of a provincial capital like Dresden or Munich. Again, Viennese banks have their own international connections, and it is an open question to them whether they would gain by Vienna's becoming the advance guard of German commercial penetration into the Balkans and the Near East. On the other hand, the sentiment of both manufacturers and bankers in recent years has rather come around to favoring the *Anschluss* idea. This is an entirely natural drift since German capital and management is rapidly invading the field of Austrian industry.

The *Anschluss* problem presents a different set of elements to Germany, though the sentimental and economic arguments heard on both sides of the frontier bear the same general tenor. There is no doubt that the appeal for racial unity is strong, but that after all is but one among many other factors. There is the prospect of an enlarged Germany with closer proximity to the Eastern market. This obvious advantage must be counterbalanced by the possibility that Austria in herself would turn out to be an economic liability. On the political side is the problem of adding several million

more Catholics to the population of the Reich, and this issue would bring up afresh the whole question of Prussianism versus Federalism in Germany.

Moreover, the majority of parties and economic groups in Germany today, whatever lip service they may pay to the *Anschluss* plan, are thoroughly back of the late Dr. Stresemann's policy in holding that it is not a matter of *Realpolitik* under present circumstances. To begin with, Germany realizes that her diplomatic position is not strong enough in Europe to permit her to broach the subject of *Anschluss* without entailing enormous sacrifices in the bargain. There are indeed a whole series of international questions which Germany must see disposed of to her satisfaction before the *Anschluss* can even receive official mention. These problems are four in number—control of the Saar Basin, Young Plan revision, disarmament, and the Polish Corridor. Barring an international catastrophe, Germany will probably let well enough alone in her relationship to Austria. Lastly, Berlin for some time to come has a tacit understanding with Vienna that all preliminary moves in the direction of *Anschluss* must originate from the Austrian side of the frontier.

It would be a gross mistake, to think that nothing practical is being accomplished to smooth the way for the ultimate realization of the *Anschluss*. To begin with, there is a systematic campaign to educate public opinion in both countries and abroad. Again, the Austrian Government is taking steps to unify and harmonize her administrative practice and legal system with Ger-

many's, and identical Law Codes are being drafted in each country. In the work of coördinating such practice, Germany and Austria are far in advance of other countries in Europe. Lastly, Professor Kelson of Vienna published in 1927 a technical juridical study,³ which represents the first serious attempt to formulate the correct modality for carrying the *Anschluss* into execution.

* * *

It is not surprising to learn that the Little Entente is opposed to the union of Austria and Germany. Of the three countries, Czechoslovakia is clearly the state whose economic and political interests would be most vitally disturbed by such a change in the balance of power in Central Europe. In the first place, she looks with un-mixed anxiety on becoming a peninsular surrounded on three sides by the powerful German Reich. Her strategic position would thereby be seriously undermined, leaving the country exposed to the danger of commercial conquest and economic penetration. Secondly, the internal stability of Czechoslovakia might be threatened should the *Anschluss* be effected by an overt act of violence. In such an emergency, the Bohemian Germans might be stampeded into a secession movement. Here again it becomes clear that from the viewpoint of self-interest Czechoslovakia is following the correct line in her policy of fair treatment to the German minority

³ "Die staatsrechtliche Durchführung des Anschlusses Oesterreichs an das Deutsche Reich."

at home and of friendly collaboration with both Austria and Germany abroad.

Rumania of course has a more remote concern over the *Anschluss* problem than has Czechoslovakia. To be sure, if the act of Austro-German union should be carried out with a parallel military coup against the Polish Corridor, then Bucharest would be bound to stand by Warsaw in the crisis, according to the provisions of the 1926 treaty. Again, Rumania's standpoint would be influenced by any concession Germany might make in Hungary's favor in the matter. On the other hand, certain economic circles in Bucharest now incline to the view that the country would profit agriculturally, even though it might lose ground industrially, through the more active commercial penetration of Germany into the Balkans which would result from the *Anschluss*.

Jugoslavia has a more tangible interest in the fate of the *Anschluss* movement than Rumania through the possibility of Germany's becoming a neighboring Power. Jugoslavia fears the economic penetration of Germany, though for other reasons than does Czechoslovakia. During the last two years, however, a new current of opinion has gained headway in Jugoslavia which is favorable to the idea of having a strong neighbor to counterbalance the disturbing pressure exerted by Italy. According to this theory, France, owing to other preoccupations, has not rendered her little ally the full quota of support in the latter's quarrels with Italy, and consequently Jugoslavia should look elsewhere for ways

and means of strengthening her international position.

Germany on her side is wide-awake to the opportunity of playing Yugoslavia and Italy off against each other by holding out tempting economic offers to both countries in return for support in her Balkan policy. Thus, the ultimate decision of Belgrade concerning the *Anschluss* is likely to turn on the terms Berlin offers the Little Entente in compensation.

The Hungarian attitude towards the *Anschluss* is one of neutral opposition at present. Her industries would probably suffer and her agriculture benefit by Germany's becoming a neighbor. It is doubtful whether Berlin could secure the consent of Budapest to the scheme merely by promising to return Burgenland to its ancient owner. Such a bargain, moreover, would be a flat betrayal of the argument for racial unification, owing to the German population of the province. As for Hungary, she would at heart expect Germany's support to more sweeping territorial changes. Lastly, Hungarian friendship for Italy would be thrown overboard in the event that Budapest should agree to the *Anschluss*, for Italy has no two minds about the possibility of seeing Germany standing athwart the Brenner Pass.

Both France and Italy oppose the *Anschluss* on the grounds that they cannot tolerate the population of Germany being increased by nearly seven millions. Moreover, the influence and position of both countries in the Balkans would suffer a severe setback through any aggrandizement of the Reich. Even Great Britain

is against the *Anschluss*, all sentimental reasons notwithstanding, in the sense of fearing the enhanced momentum of German competition in world markets, especially in the Near East. London is also keenly aware that the trail of treaty revision, once opened up, would end with a German drive to recover her lost colonies. To sum up, both the Allies and the Little Entente are essentially of one mind today in preventing the *Anschluss* from taking place.

In the years immediately following the war, it devolved upon the Allies to help Austria out of her difficulties. This was done first through relief action and later by the régime of financial reconstruction which came to an end on July 1, 1926. The Allies maintain that Austria today is a viable state, capable of independent existence. Such was the decision reached by the League commission, headed by Mr. Layton and M. Rist, sent out to investigate the economic situation of Austria in 1925. On the political side, Belgium is cited as the case of a small country living prosperously for a century alongside a big country with much the same culture.

Moreover, according to an argument heard in Prague, there are over ten million Germans living today outside Germany and Austria—in Switzerland, Italy, Czechoslovakia, Hungary, Jugoslavia, Rumania and Poland—where they exert an influence beyond their numbers which contributes to the economic and cultural wealth of the German race. This argument winds up by pointing out that the *Anschluss* after all would entail

the disappearance of a German state which as a buffer against Italy and the Balkans may be more valuable and useful to Germany than if it were swallowed up by the Reich.

* * *

This brief review of the *Anschluss* situation gives some idea of the obstacles Germany must overcome before the plan can be transformed into reality. It also indicates the nature of the complications involved in any scheme aiming at the alteration of the territorial arrangements set up under the peace treaties. At some future date, it may be possible for Germany to carry through the union without a crisis threatening the peace of Europe, but today it is clear that such a step would do Germany more harm than good. Indeed, it could not fail to bring about just that situation from which Germany has been trying to escape since the war—her diplomatic isolation and encirclement.

Such is the nature of the Big Neighbor problem which faces Czechoslovakia and its international implications. At present, relations between Prague and Berlin are on a firm and friendly footing. If both countries continue to exhibit a reasonable amount of insight and ability in conducting their mutual relations, there is no reason why their conflicting interests should not be accommodated in a manner satisfactory to both parties. This means that outstanding questions of dispute would be regulated before they were allowed to enter an acute stage.

CHAPTER X

THE LITTLE ENTENTE'S POSITION IN EUROPE

THERE is no dodging the fact that each Little Entente state today faces a Big Neighbor problem of serious proportions. But as we have noted above, the crisis in Russo-Rumanian relations is not so dangerous as the absence of diplomatic relations suggests, and owing to the fact of there being no clash of vital interests between the two countries it is only a question of time and face-saving before they can proceed to the final liquidation of their mutual differences. The Big Neighbor problem of Czechoslovakia is of potential character rather than an actual reality. The tension of feeling between Yugoslavia and Italy is the most urgent problem commanding the diplomatic energies of Little Entente statesmen today, and although the acute phase of this crisis has probably passed by, nothing like a permanent solution is yet in sight.

The future developments of the three Big Neighbor problems are of vital concern to the welfare of the Little Entente system. Yet in holding its own in the diplomatic arena, the Little Entente, as we have seen in so many instances, is sure of a certain amount of backing from the side of the Allies, particularly France.

The early post-war years in Europe revealed the utter dependence of Poland, Czechoslovakia, Rumania, Yugoslavia and Greece on the moral and military backing of the Big Allies. Leaving the case of Greece aside, France eagerly undertook to lend effective aid to the smaller allies, especially to Poland, in setting their new houses in order and in coming to terms with the adjoining countries from whom they had taken territory. The Ruhr occupation in 1923 saw a definite breach in the united front of the Allies in dealing with Germany. Both England and Italy, for reasons of their own, viewed this military adventure with an eye of stern disapproval. Whatever the exigencies of the moment, it revealed the inherent danger and folly of the policy of pacification by force.

In the meantime, the Little Entente had been set up for the purpose of strengthening the international position of its member states. The success of their efforts in this direction inevitably led to their breaking the diplomatic hegemony of the Quai d'Orsay in Prague, Belgrade and Bucharest. At the height of the Ruhr crisis, Dr. Benes went to Paris where he signed a treaty¹ of alliance with the Poincaré Government on January 25, 1924. France had originally urged Czechoslovakia to sign a convention of both a military and a political character, similar to the Franco-Polish treaties of 1921, but Czechoslovakia stood out resolutely for a more bilateral agreement without military commitments. In

¹ The official English translation of this treaty is published in the League of Nations Treaty Series, volume XXIII.

the end, the Czechoslovak Foreign Minister was able to persuade the French Government of the wisdom of the Prague standpoint.

The rather unilateral character of the Franco-Polish convention takes form in Article 3, which stipulates that "the two Governments *shall take* concerted measures for the defence of their territory and the protection of their legitimate interests." On the other hand, Article 2 of the Franco-Czechoslovak treaty leaves the door open to a mutual exchange of views in the event of emergency, by providing that "the High Contracting Parties *shall agree together* as to the measures to be adopted to safeguard their common interests."

The Franco-Czechoslovak treaty of 1924 marked the opening of a new era in the international status of the Little Entente. The next step in consolidating its diplomatic position was taken at Locarno the following year when both Czechoslovakia and Poland, who had already signed a treaty of mutual friendship, concluded treaties of arbitration with Germany. This was the method employed by Dr. Benes to link up the work of international consolidation in Western Europe with the program of the Little Entente.

A few months later, on March 5, 1926, Czechoslovakia signed her convention of arbitration and conciliation with Austria to replace the 1921 treaty. The same year saw the conclusion of a treaty² of friendship between

² The official English translation of this treaty is published in the League of Nations Treaty Series, volume LVIII.

France and Rumania, and in 1927 France and Yugoslavia signed a similar agreement. Both these treaties were drawn up along the lines of the Franco-Czechoslovak convention of 1924.

The general lines of Italian policy in the Danubian basin are revealed in her treaty relations. Italy signed a treaty³ of friendship and collaboration with Czechoslovakia on July 5, 1924, modelled along the general lines of the Franco-Czechoslovak convention. Six months before, Italy and Yugoslavia concluded a similar treaty which unhappily was also allowed to lapse in 1929. The following year, Italy signed a similar accord with Rumania when General Averescu was in power at Bucharest. Scarcely six months later, Signor Mussolini went off on a radically different tack by signing a treaty of friendship with Hungary after the Bethlen Government had toned down its overtures in the direction of Yugoslavia. On the whole, it is clear that Italy's attitude towards the Little Entente today is largely governed by the gloomy outlook of her relations with Yugoslavia and France.

The ups and downs of Franco-German relations since the Reich entered the League in 1926 have had a distinct bearing on the international position of the Little Entente. It is natural for France to become increasingly preoccupied with the necessity of coming to terms with Germany, and the growing intimacy of their relationship tends to throw the Little Entente more on its own

³ Expired in August, 1929, and not renewed.

resources in regulating problems of common interest.

All governments of Europe are sincere in their profession of good-will, but the countries they represent nurse conflicting interests and ambitions tending to disturb the delicately balanced equilibrium of peace. These clashing forces mean a continual need of give-and-take on all sides. We have pointed out how vital it is for the Little Entente to preserve peace on all fronts, domestic and foreign. Yet the welfare of this system of alliance and collaboration demands that peace be kept on its own terms, and not on those which would undermine its efficacy of acting as a diplomatic unit.

* * *

Finally, how does the Little Entente line up from the military angle? It is patent that no Little Entente power is deliberately seeking war—each country has all the possible territory it can want, and no vital interests are threatened by another state at present. On the other hand, no outside power, not even Hungary, proposes to attack a Little Entente country under present circumstances. There remains, then, the eventuality that Europe, somehow, somewhere will again blunder into an armed conflict. In such an event, the Little Entente would be sure of a clean-cut victory only provided that the war remained localized.

Each Little Entente state maintains a conscripted army. Czechoslovakia keeps 130,000 soldiers under arms, Jugoslavia 110,000, and Rumania 185,000, making a total

standing force of 425,000 at the immediate disposal of the alliance. Probably Czechoslovakia possesses the best trained and best equipped army of the smaller states, though for fighting qualities the Jugoslavs have been famous throughout their war-like history. The Rumanian peasant is like other peasants: they make good soldiers when defending their homeland, and the officer material of the Rumanian army has been somewhat improved since its poor showing during the World War.

Since the favorable frontier settlements, the armies of the Little Entente have not exhibited any bellicose tendency, and Czechoslovakia in particular is making strides forward in the democratic education of recruits. On the other hand, the Little Entente during the last five years has not made any material reduction in its armed forces, and compulsory military service, reinforced by a highly trained professional nucleus of officers, seems to be a permanent feature of the mechanism of each state.

The Trianon Treaty imposed upon Hungary the abolition of military conscription and limited her army to 35,000 men and officers. Likewise, under the Treaty of Neuilly, Bulgaria is not allowed to keep more than 30,000 soldiers under arms. A glance at the map shows that the numerical superiority of Little Entente armies over the combined forces of Hungary and Bulgaria, for example, is greatly impaired by the unstrategic geographical location, the three countries forming a semicircle around the periphery of Hungary.

Should war break out between the Little Entente and Hungary—happily an inconceivable occurrence today—a Little Entente victory would largely depend on the capacity of its statesmen to localize the conflict. In such a case, Czechoslovakia could easily bear the brunt of the attack, as indeed she would be forced to do, (Budapest being only some fifty miles from the Czechoslovak frontier at one point), for both Rumania and Jugoslavia would be loath to leave their backdoor frontiers exposed to a surprise attack. The danger would always remain that the hysteria of the moment would sweep Russia, Italy or Bulgaria into the struggle against the Little Entente, and then all Europe would burst out into flame. Again, there might be a chance hope of localizing a military clash between Bulgaria and Jugoslavia; in fact, the League actually did stop a frontier fight in 1925 when Greek gendarmes invaded Bulgarian territory.

Far more disastrous would be an outbreak between Italy and Jugoslavia—this would mean a European war with scarcely a doubt. Lastly, there is the distant possibility of an outbreak between Soviet Russia and Rumania which would bring Polish forces into the field. Outside of whatever effort Lithuania might make to recover Vilna, such a conflict could be localized only in the event that Soviet Russia were not too successful, and this does not seem likely at present.

In short, from no matter what angle the military posi-

tion of the Little Entente is viewed, its main strength is seen to lie along the path of peace.

Now in its disarmament policy, the Little Entente countries see eye to eye with France, their protectress. This identity of outlook is ever manifest at Geneva where, for a full decade, France and England have clashed over important points of procedure, if not of principle. Great Britain boldly argues that the progressive reduction of armed forces is the only true safeguard to world peace, and in this campaign she now enjoys the full backing of Germany.

France in turn stands pat on the argument that military security must precede disarmament, whether on land or at sea. Yet this consideration does not preclude M. Briand from acting as the eloquent spokesman and indomitable worker for the cause of moral disarmament in Europe. Likewise, the positive minds behind the Little Entente are busy strengthening the machinery of continental consolidation, the aim in both instances being the same—namely, to knock the props from under the militaristic arguments which still carry such decisive weight in the counsel chambers of Europe.

* * *

In conclusion, we get back to the Hungarian thesis that the Little Entente is doomed to collapse, owing to the growing divergence of the international interests of its member states. Our examination of the three

sets of Big Neighbor problems facing these countries today brings out no such conflict of interests and no real weakening of the system from extraneous causes. Its essential aim remains unaltered to this day, but the focus of its attention is continually changing to meet the shifting demands of modern Europe in the making. In this sense, the Little Entente has already revealed its inherent vitality and usefulness.

PART FOUR

THE OUTLOOK FOR THE LITTLE ENTENTE

CHAPTER XI

THE AGRARIAN AND HAGUE CONFERENCES OF 1930

OUR discussion in the last few chapters leads to the conclusion that there is no reason to expect the Little Entente system to fall apart either through the internal instability of the three states or through any disruptive forces growing out of the divergence of their international interests. The question now arises whether the Little Entente is inherently strong enough to continue evolving into something more than a negative political force concerned primarily with preserving the *status quo*. Already it is growing clear that regional combinations working along constructive lines, either political or economic, are destined to play important rôles in the moulding of a European federation at Geneva.

Over and above the every-day efforts of Little Entente statesmen to promote the common interests of their countries, there is a well-defined sense of direction as to ultimate aims. Broadly speaking, this program embraces two aspects, one directed towards the economic consolidation of Central Europe and the other aiming to bring about a sound régime of international collaboration. Let us look first at the efforts made by the Little Entente states toward finding a basis for intimate eco-

nomic collaboration and the difficulties standing in the way.¹

* * *

The major economic problem faced by Czechoslovakia, after putting her fiscal system in order, was to find an outlet for her industrial products which before the war were largely absorbed within the sheltered customs union of Austria-Hungary. The collapse of the Hapsburg Empire threw these former domestic markets into the category of competitive world markets.² This situation gradually brought about a new direction in the foreign trade of Czechoslovakia towards the industrial West, notably to Austria and Germany, but also to England and the United States. It is thanks to these rich markets that Czechoslovakia enjoys a consistently favorable balance in her foreign trade—a fact of vital significance for a country sixty percent of whose industrial output must be sold abroad. On the other hand, this trend is proof that the agricultural countries of the Danubian basin, notably Rumania, Jugoslavia and Bulgaria, present only a limited capacity as an export field for the manufactured goods of Czechoslovakia.

Looking at the problem the other way round, these agricultural states are principally concerned with finding a market for their grain and farm products. Here

¹ This subject is comprehensively discussed in Pasvolsky's "Economic Nationalism of the Danubian States."

² The value of German exports, for instance, exceeded that of Czechoslovak exports into Austria for the first time in 1928.

their best markets obviously lie in large industrial states, such as Italy and Germany. On the other hand, Austria and Czechoslovakia (the latter being nearly self-supporting in basic foodstuffs) possess a much more limited capacity to accommodate the export requirements of Yugoslavia and Rumania. Moreover, population pressure in the latter countries is stimulating industrial development, which in turn act as a severe deterrent to Czechoslovak and Austrian trade with them.

This conflict of economic needs is attested to by the fact that Czechoslovakia had no tariff treaties with either Rumania or Yugoslavia until this year (1930). Whenever negotiations were opened up for such a convention, they went shipwreck on the rock of economic nationalism. The powerful Agrarian party in Czechoslovakia blocked the government from sanctioning facilities being granted for the entrance of agricultural products,³ while Rumania and Yugoslavia could not afford to leave their infant industries without ample protection. Ironically enough, German reparation payments in kind help to block the development of Czechoslovak exports into those two countries.

Another obstacle to the creation of intimate economic relations among the Little Entente states arises out of their geographical situation. A glance at the map shows that Czechoslovakia, Rumania and Yugoslavia form a

³ Early in 1930, for example, this party introduced a bill into the Prague Parliament providing for an increase, amounting on many important items to as much as 100 percent, in the agricultural tariff schedules.

kind of semicircle around Austria and Hungary. For this reason, the inclusion of these two countries is indispensable to the success of any thorough-going scheme of economic consolidation.

As noted in Chapter IX, Austria today is distinctly cool to the repeated overtures of the Little Entente in this direction. For example, at the end of the Little Entente conference held at Bucharest in 1928, the Yugoslav Foreign Minister gave a prominent interview in which he spoke of the desirability of an economic rapprochement with Austria. Mgr. Scipel promptly answered this overture by stating publicly that Austria could not be a party to such a combination with the Little Entente unless Germany were given equal rights under the scheme. In 1925, it was Italy who stood athwart the path of closer economic relations in Central Europe, and today it is Germany.

Hungary at present is also disinclined to collaborate with the Little Entente in its economic program. Lying as she does in the heart of the Danubian basin, more than two-thirds of her foreign trade is with her immediate neighbors. With both Czechoslovakia and Austria, she has a tariff convention. Budapest is not entirely content with these arrangements from the standpoint of either promoting agricultural exports or protecting her industries.⁴ On the other hand, Hungary exports an increasing quantity of manufactured goods

⁴ The Czechoslovak-Hungarian trade treaty was denounced and abrogated in December, 1930.

into the Balkans without having any need for taking farm products in exchange. Thus, Hungary finds it difficult to enter into closer economic relations with her neighbors on both sides, and imperative political reasons preclude her from taking what might well be a leading rôle in the economic reorganization of Central Europe.

* * *

Such were the gloomy prospects for realizing an economic Little Entente when the wave of depression swept over Central Europe in the autumn of 1929. Falling prices of agricultural products more than offset the advantage expected from the excellent harvests. Surplus grain production overseas and Soviet "dumping" once again threw the agrarian countries of the Danubian basin face to face with the dilemma of vanished markets abroad. Possibly such a disaster was necessary to force their statesmen to seek out a basis for intensive coöperative effort.

Two separate projects for creating a Farm Cartel took shape during the following spring—one Little Entente and the other Polish. These schemes were pretty well in accord on fundamentals. They envisaged national specialization in certain branches of agriculture, standardization of quality and development of foreign markets. On the negative side, these states expressed their determination to take prompt action to protect themselves against the rising tide of tariff walls in industrial Europe. The moot point in the lively discussions over

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the proposed agrarian pool was under whose auspices and control the scheme would be launched.

The first conference looking in this direction opened at Bucharest on July 21, 1930, attended by representatives from Hungary, Rumania and Jugoslavia. They promptly came to an agreement on a limited degree of collaboration, such as the erection of grain elevators and harvest financing. Hungarian capital, backed by its network of pre-war connections in Transylvania, the Banat and Croatia, is particularly well equipped to organize such undertakings. The meeting, however, collapsed over the more important issue of creating a centralized export monopoly, presumably under the control of Budapest.

Before breaking up, the delegates drafted a joint answer to a League questionnaire, recommending the suppression of the most-favored-nation clause in trade treaties as the best way of promoting coöperation between the industrial and agricultural states of Europe. The daily press of Prague did not conceal its nervousness over the Bucharest conference, and Hungarian liberals, who are exerting their utmost to promote more cordial relations with the Little Entente, took small comfort over the announcement that the three countries would attempt to work out a real Farm Cartel at a later date.

A day or so later, representatives from Rumania and Jugoslavia alone proceeded to formal discussions at Sinaia for extending the economic scope of the Little Entente. On August 1st, the delegates duly recom-

mended to their governments the immediate execution of certain measures, including the creation of a joint Institute for the marketing of cereals, the conclusion of commercial, veterinary and railway treaties, and the setting up of a Rumano-Yugoslav customs union. Moreover, two agrarian partners of the Little Entente announced their readiness to reach an agreement with Czechoslovakia for the mutual exchange of agricultural and manufactured products, more or less on a quota basis. Indeed, Czechoslovakia and Rumania had already signed, on June 27th, a tariff treaty at the annual meeting of the Little Entente.

Next came the Warsaw conference, held at the end of August and attended by delegates from Poland, Estonia, Bulgaria, Hungary and the Little Entente countries. This gathering, aided by the momentum achieved at Bucharest and Sinaia, tackled the agrarian crisis with a far-flung agenda. The resulting deliberations revolved around two different approaches to the problem—international accords between the industrial and agrarian states, and agreements based on collaboration between themselves. To expedite the work of the annual meetings, a permanent organization was set going, including a secretariat, information bureau and research staff.

The conference came out flatly as favoring preferential treatment for the farm products of Europe and the abolition of export bounties and of indirect protection, arising out of the wide-spread practice of administrative

and railway discriminations. The decisions reached at Warsaw⁵ were duly transmitted to Geneva about the time the League Council and Assembly commenced their debates over the proposed organization of a European federation. Spokesmen from these countries uttered fervent pleas for a concerted campaign to resolve the agrarian depression. To the dismay of such grain-producing countries overseas as Canada, the ensuing discussions at Geneva made manifest that no economic United States of Europe can get under way until the industrial states of the continent prove their readiness to grant material concessions to the farming countries of Eastern Europe.

As demonstrated above, this is essentially the problem facing the Little Entente in the economic relationship of its component members.



The difficulties faced in this field are in miniature the problem of the economic consolidation of Europe, the rationalization of European trade and production, and the necessity of a compromise between the interests of the agricultural countries and of the industrial states. Before these questions can be brought up for definite solution, there are many preliminary obstacles to overcome. Not to mention the handling of reparation burdens under the Young Plan, there is the fight against

⁵ *L'Europe Nouvelle* for September 13, 1930, published the texts of resolutions passed at the Bucharest and Warsaw conferences.

trade barriers which the League of Nations is waging with only very modest success. After abnormal tariff barriers are effectively done away with, the nations of Europe must proceed to the stabilization of their tariff levels. Then and only then can there be a fruitful discussion of whether Europe is in position to set up some kind of a preferential customs régime for the continent, an economic United States of Europe along the lines of M. Briand's historic address before the League Assembly in September 1929.

A step in this direction was taken at the conference for concerted economic action held at Geneva early in 1930. The main battle over the tariff truce negotiations was waged between the British and French delegations, but economic trends in the Danubian area were also thrown into fresh relief towards the end of the meeting. The London *Times* of March 20th published the following dispatch on the final phase of the proceedings—

"The text brought in by the sub-committee as a clause of Article 1 of the Protocol laid down—(1) that Austria declares that she is unable to maintain the provisions of her economic treaties with Hungary and Czechoslovakia, while Czechoslovakia makes a similar declaration in respect of her treaty with Hungary; (2) that Hungary accepts the reservations made by Austria and Czechoslovakia, while Czechoslovakia accepts the reservation made by Austria; (3) that the contracting parties may denounce the convention should the negotiations between Austria and Czechoslovakia and Hungary result in an increase of duties."

A few days later, the majority of the delegates signed three acts pledging their respective governments, in the

event of ratification, not to denounce any commercial conventions prior to April 1, 1931. Austria stood alone among the Danubian states in accepting these acts without reservations. It appears that the conference in question accomplished little more than giving formal expression to the new theory of the interdependence of European commercial policies, this being as far as European countries were willing to go at present by way of stabilizing tariff levels. It is significant to note that no extra-European government associated itself in the Geneva undertaking to promote closer economic relations.

In the meantime, the Little Entente will have ample opportunity to demonstrate its capacity to promote closer economic relations in the Danubian basin. Much can be accomplished in this direction by the conclusion of bipartite tariff conventions of long duration to which Rumania and Jugoslavia are parties. Incidentally, the Little Entente called a meeting of economic experts in September 1929 to survey the ground for such treaties. The extension of the network of commercial treaties into the Balkans would be a solid accomplishment, but it is still open to question whether the next step can be taken by setting up a régime of preferential customs treatment in the Danubian basin. The present indications are that such an arrangement would not go far enough in promoting the interests of the parties concerned, in compensation for the concessions they would each be forced to make to realize such a régime.

In short, the Little Entente would be well advised to

coördinate its economic activities with the development of a continental customs policy. Barring the conclusion of an outright customs union, such as contemplated to-day between Rumania and Jugoslavia, any tariff system based on regional preference will probably run afoul the more urgent requirements of Europe as a whole.

* * *

The foundations of more intimate coöperation in the Danubian basin were materially strengthened as a result of the Hague conferences held during August 1929 and January 1930. The question of German reparations of course had been the object of exhaustive study and negotiation ever since the days of the Peace Conference, but the Hague meeting provided the first comprehensive handling of the problem of Eastern reparations—Austrian, Hungarian, Bulgarian. The issues at stake under the Young Plan were of such momentous weight that the Great Powers did not realize the importance of reaching a final settlement over non-German war obligations. Such a failure would have amounted to a calamity for the smaller states, debtor and creditor alike.

Here, then, was another instance where Little Entente leaders demanded that their case should not be overlooked in the shuffle. Dr. Benes reported their stand in the following words to the Prague Parliament on January 30, 1930:

"The Central European states indeed recognized that they would leave the conference very badly off if they did not tie up

the solution of all Central European and Balkan politico-financial problems with the liquidation of German reparations and with the carrying out of the Young Plan. Following the regulation of their relations with Germany, the Big Powers had lost their former interest in Hungarian and Bulgarian reparations, and there remained left over our obligations regarding state properties and the Liberation Debt. For this reason, the states of the Little Entente, supported by Greece and Poland, established at the very outset of the conference in August 1929, as a condition to their accepting the reduction of German reparations and the execution of the Young Plan, the solution of the entire complex of their financial rights and obligations growing out of the three peace treaties with Austria, Hungary and Bulgaria. This also involved the definitive solution of the question of state properties and the Liberation Debts of all Succession States. For Rumania, it meant at the same time that the well-known Optants question would be settled along with the negotiations over Hungarian reparations, for whose liquidation Rumania had already sought compensation out of her reparation claims against Hungary."

Such arguments left no doubt as to the seriousness of the Little Entente challenge, and soon the representatives of the Great Powers were playing a decisive rôle in bringing about a compromise between Hungary and the Little Entente. M. Loucheur, French delegate, was chairman of the commission for Eastern Reparations. The first Hague conference, held during August 1929, came to a close without even the basis of accord having been formulated, and negotiations were resumed at Paris during the autumn with little visible success. At first, the Hungarian Government stood out against any linking up of the Optants question with reparations, as noted in Chapter II.

Before the second conference opened its doors, Count Bethlen had come around to accept the wisdom of a "total liquidation," but the difficulty arose of finding an acceptable formula, let alone the closing of the gap between what the Hungarians claimed and what the Little Entente was willing to pay in compensation. Germany and the Allies had already come to an agreement over the Young Plan when Italy threw a bomb-shell into the final proceedings by announcing that she could not sign the Young Plan owing to certain interlocking payments. More precisely, the situation was as follows—Czechoslovakia refused to settle her Liberation Debt with the Allies until Hungarian reparations were taken care of; and the Snowden compromise obligated Italy to pay England an annual sum which the former proposed to take out of her share of Czechoslovak payments.

This brief review gives some idea how it came about that the tangle of Eastern reparations loomed up as a dangerous stumbling-block during the last stage of the Hague conference. Pressure of a none too gentle sort was put on the interested parties, and a twenty-four hour session of their delegates ensued at the end of which a compromise was reached. On January 30, the former belligerent states of Europe signed fifteen acts,⁶ the conclusion of which constituted what has been rightly called the "financial liquidation of the war."

⁶ H. M. Stationery's Office, London, has published the Hague acts in full.

Five of these accords touched Central Europe directly—to wit, the three reparation acts of Austria, Hungary and Bulgaria, and two arrangements regulating the Czechoslovak Liberation Debt and fixing the creditors' quota under Eastern reparation payments. As foreshadowed some time ago, Austria was formally liberated from all reparation obligations at The Hague. On the other hand, the Bulgarian settlement was thoroughly unsound from both the political and economic viewpoints. That little country of six million peasants, and with virtually no industries to speak of, was saddled with reparation payments until the year 1966. Both Hungary and Bulgaria pay an average annuity during the next 36 years amounting to approximately \$2,250,000, Hungarian payments after 1943 going into the Special Funds referred to below. Lastly, the Liberation Debt will cost Czechoslovakia almost exactly the same yearly sum over the same period.

In what sense do the Hague acts represent the "liquidation of the past" for Central Europe? The Innsbruck Protocol of 1923 and the Prague Protocol of 1925 regulated interest payments on the pre-war foreign debts of Austria-Hungary and pro-rated the share among Austria, Hungary, Italy, Czechoslovakia, Poland, Rumania and Jugoslavia. The *Caisse Commune*, set up at Paris to handle these payments and other pertinent matters, has announced an early meeting for the purpose of fixing the new capital value of these debts and providing for their gradual amortization. Next, the Hague meeting

disposed of the reparation obligations of Austria, Hungary and Bulgaria along with Liberation Debts. This latter accord covered the indebtedness of the smaller Allies and Italy, amounting to over two billion dollars, for state properties taken over from Austria-Hungary at the end of the war.

The Hague conference went even further by working out the basis of agreement between Hungary and the Little Entente states over the claims of Hungarian Optants arising out of the land reform acts of Rumania, Czechoslovakia and Jugoslavia. Indeed, it was precisely the thorny controversy of agrarian claims, and not reparations, which provided the main obstacle in the negotiations with Hungary. During these exhausting conversations, the representatives of Italy, it should be noted, worked with the Little Entente Foreign Ministers in the spirit of loyal collaboration, and it was the so-called "Brocchi Plan" which finally laid the basis for the compromise accord.

The Hungarian settlement reached at The Hague envisaged the definitive regulations of all financial claims touching agrarian questions and state properties. Two Funds are to be created to handle such claims. Fund A, dealing exclusively with land claims, has a capital fixed at about \$45,000,000, which sum represents the maximum compensation available for distribution to Hungarian Optants. Fund B covers all other claims, such as those put forward by the House of Hapsburg, churches, railways and industrial properties, its capital being put at

\$20,000,000. The working capital for these Special Funds until 1943 is in part provided through deposits from England, France and Italy, and during the period 1943-1966 exclusively by Little Entente states out of Hungarian payments. The Hungarian acts stipulate that the three sets of Mixed Tribunals (Rumano-Hungarian, etc.) enjoy no further competence to entertain financial claims against Little Entente states, their function from now on being strictly juridical.

* * *

Owing to pressure of time, the Hungarian accords signed at The Hague did not go further than outlining the cardinal principles to be put into definitive treaty form later on. It is generally admitted that these accords were hastily drawn, the delegates of Hungary and the Little Entente having labored through three nights practically without resting. When M. Loucheur's commission for Eastern Reparations resumed its sittings at Paris in late February, sharply divergent interpretations were put forward by the contending parties. The main point of conflict arose when the Hungarian Government elaborated the theory that the capital of Fund A covered only the claims of Optants already lodged with the Mixed Tribunals, maintaining that future claims should be dealt with separately. The Little Entente representatives argued that the Hague acts envisaged a total liquidation of the Optants dispute. Indeed, Dr. Benes had already announced in the Prague Parliament that

Czechoslovakia was not bound to pay a cent more than the figures mentioned in the Hungarian acts.

With a view to opening the way to a final settlement, the commission for Eastern Reparations held a plenary session at Paris on March 31, 1930, at which Count Bethlen represented the Hungarian Government, the Little Entente delegates being Dr. Benes, M. Marinkovich and M. Titulescu. Four weeks later, on April 28th, the interested parties, including the Big Allies, signed four conventions which embodied the results initialled at The Hague. These acts included the reparation agreement between Hungary and the Creditor Powers, the settlement of questions relating to the land reforms and the Mixed Arbitral Tribunals, and the organization and powers of the Special Funds. The conflicting standpoints of Hungary and the Little Entente countries were textually incorporated in these accords.⁷

It should not be overlooked that the Hungarian Government was forced to make an enormous reduction in its financial claims in favor of the Optants. In giving his official statement to Parliament on January 30th, Count Bethlen pointed out that the Hungarian delegation at The Hague finally accepted the acts in question out of a spirit of conciliation and coöperation, arguing convincingly that they represented a great step forward in the consolidation of Europe.

Dr. Benes made his report to the Prague Parliament on the very same day. He took this occasion to review

⁷ For the original texts, see *L'Europe Nouvelle* of May 3, 1930.

at length the entire history of reparation negotiations and interallied debts, showing the relationship between these problems and the handling of the Czechoslovak Liberation Debt. The Hague settlement, he said, constituted the international recognition of the land reform in Succession States. Secondly, the Little Entente was actually strengthened as a result of the Hague negotiations where a sound basis was laid for further consolidation in the Danubian basin. It is interesting to note that this feeling of optimism was practically universal in Central Europe following the agreements, signed at The Hague and in Paris.

The last chapter consequently will be devoted to an examination of the outstanding problems which await solution at the hands of the Little Entente.

CHAPTER XII

REMAINING OBSTACLES IN THE HUNGARIAN QUESTION

Two points are clear concerning the Little Entente today—the system of alliance and collaboration is not threatened with disruption and its true significance lies in its political character, as distinguished from its military position and its efforts along economic lines. Its main purpose aims to promote the régime of reconciliation and coöperation on all sides within the framework of the peace settlement. Under the present circumstances of international relations in Europe, the Little Entente, along with France, holds to its original thesis that Europe is not ready to open the floodgates of wholesale treaty revision as yet. All readjustments and concessions necessary to further the work of international coöperation are made on the basis of the peace treaties which after all constitute the juridical recognition of the new states.

At the same time, the Little Entente is making systematic efforts to help eliminate the underlying causes of conflict in Europe, and the success of these endeavors depends on its efficacy to function as a diplomatic unit.

Above all, peace must be kept and concessions granted on its terms. This means, for example, that if France and Italy come to an understanding over their conflicting interests in the Balkans and North Africa, Little Entente leaders are duty bound to see that the Balkan side of the bargain will not threaten its vital interests. What are then the major problems which the Little Entente faces at present and what are the prospects for a sound solution all round?

* * *

Let us take a final look at the Big Neighbor problems. Leaving aside the Russo-Rumanian deadlock, the question absorbing the immediate energies of Little Entente statesmen is the tension persisting across the Adriatic between Italy and Yugoslavia. The most that can be said at present is that war has been averted, and the threat is not likely to return. Yugoslavia must keep her head squarely on her shoulders, should serious tribal disturbances break out in Albania against the rule of King Zog—a very possible occurrence in the near future. In the degree that the political skies of the Balkans clear up, the prospects will improve of finding a way out of the Italo-Yugoslav impasse. There is no denying the historical fact that Yugoslavia has replaced Austria as an Adriatic Power.

Next, there is the question of Austro-German union. Piecemeal efforts leading in the direction of unifying administrative practice in Austria and Germany are

being pushed with ever increasing vigor,¹ but the realization of the *Anschluss* program as an international act seems more remote than ever. Several recent events tend to bear out this statement.

To begin with, Austria was freed from all reparation obligations at The Hague, and the Austrian people will hardly be disposed to assume any share of the German burden under the Young Plan. Secondly, Dr. Schober, the Austrian Chancellor, went to Rome where he signed a treaty of conciliation with Signor Mussolini on February 2, 1930. Italy lent her support to the Austrian plan of raising a new international loan, and a few days later the German leaders in Italian South Tyrol were released from prison. Again, Dr. Schober next voyaged to Berlin, and there came to an agreement with the German Government over the long-pending tariff treaty between the sister Republics. Austria was sorely in need of a new commercial accord with Germany whose imports into Austria have been growing at a dangerous pace.

Lastly, the internal situation in Austria has quieted down since Dr. Schober took office in September 1929. As a result of constitutional reforms which strengthened the executive branch of the government, a temporary truce was reached between the rival armed factions, Socialist and Fascist, which threatened public security during a large part of 1929. To sum up, the improved international position of Austria and the progress made

¹ At the end of 1930, Austria is changing over from left-hand to right-hand drive on her roads.

towards domestic consolidation points to the likelihood that there is little danger of the *Anschluss* being carried out by an overt coup disturbing the peace of Europe.

The future stability of the Little Entente system in some measure depends on this problem being handled in a manner satisfactory to the interests of each member state. Assuming that Austria, backed by Germany, intends some day to bring up the *Anschluss* case in all seriousness at Geneva, the Little Entente can count on having the backing of both Italy and France, but this support does not necessarily mean that its vital interests will be automatically protected in the bargain. For the time being, however, Germany and Austria will probably content themselves to achieve gradual union in piecemeal stages, and consequently there is no reason to expect an outright clash between, say, Czechoslovakia and Germany in this event. True, Prague and Berlin have not yet been able to conclude a tariff convention, negotiations for which have been dragging on for years, but the opening of the Czechoslovak Free Zone at Hamburg in 1929 is indicative of goodwill and commonsense in harmonizing and adjusting conflicting interests to the advantage of both parties.

More in line with the immediate objectives of the Little Entente stands the Balkan problem, the core of which lies in Macedonia and its bearing on Serbo-Bulgar relations. For reasons not necessary to reiterate at this point, it may be a matter of years before a sound solution can be worked out to this complex situation. Yugoslavia must first proceed to a statesman-like handling of the

Macedonian problem, and this in turn will pave the way for a healthy rapprochement between Belgrade and Sofia, the basis for which is laid in the frontier accords of 1929 and 1930. There is some danger that this reconciliation, moving forward too rapidly, might lead to an alienation of Rumania on one side and of Greece on the other.

In other words, a true Balkan Locarno, fortified by non-aggressive pacts and arbitration treaties, must include Rumania, Jugoslavia, Bulgaria and Greece. More than this—Albania and Turkey for obvious reasons must be brought into the combination. Such a sweeping undertaking would require the sanction of the Great Powers and the whole settlement linked up closely with the League of Nations.²

* * *

Coming back to Central Europe proper, the key to future peace lies in the Hungarian question. Despite all its useful accomplishments, the Little Entente will probably go down in history as a failure if it is not instrumental in bringing about a lasting understanding between Hungary and her neighbors.

Now the essential character of the Hungarian question has undergone significant changes in the last few years. Hungary in no sense threatens the peace of Europe, and it is highly unlikely that she will ever assume the re-

² An informal conference held at Athens early in October 1930 recorded great headway in working out the proper foundations for a Balkan union. See *L'Europe Nouvelle* for Nov. 22, 1930.

sponsibility of crowning a King who can entertain serious pretensions to the lost territories of the Crown of St. Stephen. Again, Hungary has already ratified the Hague settlements which signify the "financial liquidation of the past," including the definitive disposal of the Optants case. Beyond the scope of this important agreement, however, Hungary still nurses a long list of grievances arising out of the Trianon Treaty and its political consequences. Broadly put, Hungary demands—(1) substantial frontier rectification in her favor, and (2) a régime of fair treatment to Magyar minorities living in Little Entente states, as guaranteed under the Minority Treaties.

The problem of frontier rectification, viewed in figures, presents the following picture. It appears that some three million Hungarians were included within the boundaries of neighboring countries. Characteristically enough, there is no agreement as to the exact statistics: Hungary claims that the figure stands at some 3,500,000, while the Little Entente states put the total at substantially less than three millions. This large discrepancy is only in part due to the pre-war practice of Budapest census-takers of including Jews as Hungarians. In any case, it is patent that Hungary's neighbors helped themselves generously to the territorial fruits of victory. Even though Budapest may have lost her right to rule over minority races, in what sense were her former enemies justified in imposing foreign rule on three million more or less unwilling Hungarians?

The argument of self-determination was brushed aside at Paris where motives of economic self-interest and military strategy dictated the territorial dispositions of the peace treaties. Czechoslovakia demanded a protected outlet on the Danube and the only east-and-west railway in Slovakia (through Kosice): this meant the inclusion of 750,000 Magyars inside the frontier. Rumania needed the only north-and-south line in Transylvania (through Arad), and 1,600,000 Hungarians fell under Rumanian rule. Jugoslavia asked for the vital railway junction of Subotica, and another half million Hungarians were cut off from their native land. It would be too much to expect Hungary to accept the passing of two-thirds of her former territory and nearly one-third of her entire race into foreign hands.⁸

Through the vehicle of the Rothermere campaign, Hungary demanded back substantially all of the territory inhabited by Magyar minorities abroad, but the mixed racial character of these districts makes the problem far more complicated than is suggested by any simple numerical approach. At the very maximum, not more than 1,500,000 Hungarians live in solid compact blocks along the frontier, and probably the figure is closer to a million. Yet frontier changes which would transfer even a million Hungarians back within the frontiers of their native country would entail drastic sacrifices on the part of Little Entente states.

⁸ Frontier-determining railroads are clearly indicated on the accompanying map.

Let us look at the situation realistically. Hungary would hardly be satisfied with the return of a few thousand square miles of farm lands and villages: she would certainly demand the reacquisition of just those crucial railway points (Kosice, Arad, Subotica) which her neighbors have no intention of giving up, even though they are situated near the present frontiers. Take the case of the Schutt, an island in the Danube lying inside of Czechoslovakia between Bratislava and Komarno. Here is a solid community of about 125,000 Magyar peasants the direction of whose economic relations lies exclusively north of the Danube, particularly with Bratislava. These peasants have repeatedly begged Prague to let them remain inside the Republic, pointing out that there is not a single bridge across the main stream of the Danube connecting them with Hungary proper.

The international complications involved in frontier rectification in favor of Hungary present an even greater obstacle. Discontented minorities—racial, cultural, religious, economic—exist in almost every state of Europe, and thus the Little Entente is not alone in holding her ground against treaty revision on this score. Yugoslavia would not dream of handing back half a million Hungarians without saying something about the status of the same number of Slovenes in Italy who do not enjoy protection under the minority treaties. Italy in turn would never assent to an international discussion about her racial minorities, and neither would France nor Poland welcome the opening up of this delicate subject.

The plain fact is that the minority problem cannot be solved mechanically by frontier changes—it is the problem of European democracy which is still in its infancy.

This summary indicates that the chances of frontier adjustments for Hungary are not bright under present circumstances. Barring another world conflagration, it will probably take a decade or more before Europe will be ready to consider treaty revision in this sense. This being the case, let us see how Hungarian minorities are faring under foreign rule at present.

It was not the intention of the framers of the minority treaties to set up an alien "state within a state." Their aim was to guarantee equal rights and fair treatment of minorities, and the carrying out of the general intent of these treaties was left to the Minority Section created in the League of Nations. Now the post-war period hardly being a favorable juncture to realize these democratic provisions, the most violent accusations against Little Entente states have been lodged at Geneva on the score of violating minority rights. On the other hand, the suppression of the privileged status which Germans and Hungarians enjoyed in the days of the Dual Monarchy cannot in itself be held up as a breach in the rights of these minorities now living in Poland, Czechoslovakia, Rumania, Yugoslavia and Italy. It is equally clear, however, that the pendulum of political power swung back violently against the Hungarian minorities during the establishment of authority in the hands of Prague, Bucharest and Belgrade.

In one way or another, Little Entente states have all

violated the provisions of the minority treaties. Hundreds of Hungarian schools have been closed which should not have been touched; there has been administrative discrimination and favoritism in carrying out the land reform laws; civil rights have been too easily brushed aside when the case of a Hungarian was in the offing, and citizenship laws have been harshly enforced.

Such abuses were far more prevalent during the early post-war years than today, but acts of official brutality are not readily forgotten—across the frontier in Budapest. The status of Hungarian minorities has greatly improved in recent years, and on the whole Little Entente states today are making a serious effort to live up to the spirit of the minority treaties. Nor must it be forgotten that Hungary has a minority problem of her own making—200,000 Slovaks and 750,000 Germans are certainly no better off under the veiled dictatorship of Budapest⁴ than are the Hungarians and Germans in Czechoslovakia.

Thus, the minority problem in Central Europe is undergoing a process of gradual improvement. Hungary and the Little Entente having concluded the Hague settlement, the path is now opened for negotiations for guarantee and arbitration pacts on the Locarno model. These conversations may well drag on for years, for it is doubtful whether Hungarian sentiment will give its

⁴ Racial minorities in Hungary, for example, are without parliamentary representation to this day—a situation not existing in Little Entente Parliaments.

assent to the inauguration of such a radical shift of policy without the demand that frontier changes form the basis of a full understanding with the Little Entente. Just when the Little Entente governments will be ready to consider frontier rectification depends on a variety of factors, especially on the progress of European consolidation and the outcome of the clash between dictatorship and democracy.



For the moment, however, revived interest in the King question at Budapest has eclipsed the agitation for territorial adjustments. Archduke Albrecht, having sworn allegiance to Archduke Otto, was secretly married on June 25, 1930 to Madame Rudnay, divorced wife of a Hungarian diplomat. This morganatic marriage should definitely remove Albrecht as the royal candidate of the Free Electors. In consequence, certain Legitimists now maintain that the time is growing ripe for Archduke Otto to return to Hungary to claim his rightful throne. The date suggested for his proclamation as King would coincide with his coming of age on November 20th.⁵

Though Legitimist circles at Budapest took heart at the successful coup of Prince Carol, the path is by no means clear for Otto to assume the Crown of St. Stephen in like manner. There still exists a strong current of anti-

⁵ Otto's birthday passed off in Budapest without significant developments.

Hapsburg sentiment in Hungary, particularly in the Army. Herr Gombos, now Minister of War, organized the military demonstration of Budapest students in 1921 which blocked ex-King Charles' entry into the capital, and gave the Government opportunity to carry on the decisive negotiations.⁶ During the summer of 1930, Herr Gombos again showed his hand by issuing an order to arrest Archduke Otto and former Queen Zita, should they enter the country.

Some time before this amazing incident, Count Bethlen on July 6th reiterated the opposition of the Government to any hasty handling of the throne question. Maintaining that recurrent rumors abroad of a Hapsburg coup lacked foundation, he took pains to emphasize that the Great Powers and the neighboring states had not changed their attitude towards a restoration. Therefore, the Government, though ultimately favoring a constitutional solution, stood ready to take severe proceedings against anyone who would plunge Hungary into danger.

The Foreign Ministers of the Little Entente took the occasion provided by the annual conference in June to reaffirm the unconditional opposition of their Governments to a Hapsburg restoration in Hungary. Upon returning to Bucharest, M. Mironescu announced in a press interview that the Little Entente would employ

⁶ The Hungarian Government charged Mgr. Vass to conduct the negotiations which led up to the retirement of Charles across the frontier. Staunch Legitimist and influential member of the Bethlen Cabinet, Mgr. Vass died on September 8, 1930.

the weapon of economic blockade to counter any such threat to overturn the peace settlement. Austria would probably associate herself in such an undertaking if the powerful Socialist party in Vienna could make its influence felt during the crisis.

Such are the dangers, both foreign and domestic, which face Hungary should the Legitimists provoke an overt solution of the King Question today. The Hungarian people at present cannot accept at face value the Hapsburg pretension to rule by divine right. For this reason, it seemingly behooves the Legitimists to persuade the ruling classes, at any rate, that the coronation of Otto would really contribute to national welfare and prestige. Certainly the past relationship between Hungary and the Hapsburg dynasty does not redound with a great record of public service and constructive achievement.

Let us assume, however, that the sentimental appeal of the Legitimists will in time triumph over the deep-rooted hostility to Hapsburg. In bringing up the delicate monarchical question on such grounds, Hungary must still be wary to avoid all foreign complications. This means two things—Archduke Otto should abandon his claims to the imperial throne of Austria and his return to Hungary must not become the rallying cry for any foreign adventure. As the years go by, the Allies might very well be satisfied by a guarantee from Hungary of this sort.

In the absence of such a solemn pledge, Archduke

Otto could only make his way back to Hungary with the active coöperation of a foreign power, presumably Italy. Today such a move would be foolhardy, for it would speedily entail the final demise of the ancient House of Hapsburg and grave consequences to Hungary. In the sense of restraining Budapest from proceeding to a precipitous solution of the King Question, the Little Entente may after all be acting with the best interests of Hungary at heart.



These are the principal problems facing the Little Entente today. On the whole, it is clear that the international preoccupations of its member states work towards strengthening the alliance rather than otherwise. Day after day, various phases of these and other current problems come up for its statesmen to dispose of on the basis of a coördinated program. This work gets back to the functioning of the Little Entente as a *diplomatic unit*. A good example of the Little Entente at work was provided by the annual conference of its Foreign Ministers held at Belgrade during three days of May 1929. The fact that this meeting was a purely routine affair showed that the system was not threatened by any crisis at that period.

The character of the common interests which bind the Little Entente states together is shown in the text of the official communiqué issued on May 21st. It reads: "The three Foreign Ministers of the Little Entente

states have conferred this morning and afternoon. They have continued the discussion of the general political situation, and have established the full identity of their views. The Ministers have in particular examined the relations of their states to neighboring states with a view to having these relations develop along normal lines. Further, the three Ministers, inspired by the recommendation of the League of Nations in this direction, have also discussed the question of a general arbitration treaty between their three states. This general pact for all three states was drawn up in the afternoon meeting. Moreover, the Ministers have signed the protocol by which the present treaties of alliance between the Little Entente states are renewed."

Getting behind the text of the official communiqué, there is a close connection to be noted between the renewal of the three treaties of alliance and the conclusion of a general arbitration pact at Belgrade.⁷ Since the strain in Italo-Jugoslav relations began, there has been a growing feeling in Belgrade circles that the treaties of alliance should be replaced by a single tripartite defensive alliance. Such a convention would of course increase the obligation of Czechoslovakia, for her existing treaties with Rumania and Jugoslavia leave her a free hand in Balkan affairs. Dr. Benes has always held that the present arrangement was a source of strength, not

⁷ See Appendix B below for an English translation made by the Treaty Section of the League of Nations, shortly to be published in the Treaty Series.

weakness, to the Little Entente system. Hence, a compromise was reached at Belgrade by signing a general pact of arbitration and conciliation to which any neighboring state is free to adhere. It is interesting to note that the conclusion of this pact was favorably commented upon in both Bulgaria⁸ and Italy, which would scarcely have been the case with a tripartite alliance.

Many other questions came up for discussion at the Belgrade meeting. To begin with, the question of Soviet recognition was taken up again. Here the Foreign Ministers seemed to disagree, but it was, as usual, announced that Soviet recognition was not a matter of common policy, each state reserving a free hand in the matter. The conference came to an understanding as to the line of policy which Rumania, as representative of the Little Entente on the League Council, should take at the June 1929 meeting of the Council in Madrid. This in turn led to the examination of the minority problem in view of the fact that it was on the current agenda of the Council. Lastly, the Foreign Ministers discussed matters of common policy in connection with the following September meeting of the League, at which time Yugoslavia was slated to replace Rumania as a non-permanent member of the Council to represent the Little Entente. Here the path was not absolutely clear on account of misgivings raised in certain quarters abroad about the new Dictatorship in Yugoslavia.

⁸ Czechoslovakia and Bulgaria indeed concluded an arbitration convention soon afterwards.

The Belgrade conference of the Little Entente concerned itself with work of a less political character as well. There is, for example, an organization known as the Little Entente of the Press, whose purpose, outside of political propaganda, is to raise the journalistic level of the countries in international affairs.⁹ Then, too, the Little Entente has a program of social and cultural coöperation, involving the exchange of professors and students. Various meetings take place from time to time of experts and governmental officials. Lastly, there is also the Little Entente of Women which concerns itself mostly with questions of public health and children's welfare. Without overemphasizing this kind of work, it is nevertheless a factor making for better relations all round. International problems, infinitely intricate in their social and economic ramifications, demand something more than political conferences and diplomatic collaboration. The success of social work undertaken by the League suggests that the Little Entente is on the right track in this matter.

* * *

Dr. Girsá, at present Czechoslovak Minister at Warsaw, once pointed out that the strength of the Little Entente lay in the circumstances that it is both little and an entente. Behind this cryptic formula lies a fact of first significance—namely, the usefulness of the system is not so much its ultimate purpose as is its day-to-day

⁹ Budapest is naturally bitter over the "skilful propaganda" broadcasted from Prague.

capacity to handle and dispose of the pressing demands of international relations. The progressive elimination of the underlying causes of conflict and dispute is more important to the welfare of Europe than is any abstract ultimate aim of the Little Entente.

The Czechoslovak-Rumanian-Jugoslav entente has already justified its existence by demonstrating its capacity to hold things together in Central Europe. True, its methods have been known to be harsh, especially in its early years, but the fact remains that the preservation of peace is vastly more vital than is the grievance of any one nation. If the Little Entente succeeds in doing its bit to help establish a sound foundation of peace and co-operation in Central Europe, it can perhaps dispense with the realization of some of its present aims. So doing, the Little Entente may lose its original identity as a military alliance, but contribute to the realization of a most lasting place in the modern history of Europe by merging itself into a system of broader scope and deeper significance to the welfare of nations.

Such was the underlying objective of Little Entente endeavor at Locarno in 1925 and The Hague in 1930. In forming a useful bridge between the problems of Western Europe and the tangled questions of Central Europe and the Balkans, the Little Entente system is working hand in hand with the Great Powers at Geneva to lay the foundations for the United States of Europe.

APPENDIX A

THE LITTLE ENTENTE TREATIES OF ALLIANCE

- I. CONVENTION OF ALLIANCE BETWEEN THE KINGDOM OF THE SERBS, CROATS, AND SLOVENES AND THE CZECHOSLOVAK REPUBLIC, SIGNED AT BELGRADE ON THE 14TH AUGUST, 1920.

Firmly resolved to maintain the Peace obtained by so many sacrifices, and provided for by the Covenant of the League of Nations, as well as the situation created by the Treaty concluded at Trianon on June 4, 1920, between the Allied and Associated Powers on the one hand, and Hungary on the other, the President of the Czechoslovak Republic and His Majesty the King of the Serbs, Croats and Slovenes have agreed to conclude a defensive Convention . . . [and the signatories] have agreed as follows:

ARTICLE I

In case of an unprovoked attack on the part of Hungary against one of the High Contracting Parties, the other Party agrees to assist in the defence of the Party attacked, in the manner laid down by the arrangement provided for in Article 2 of the present Convention.

ARTICLE 2

The competent Technical Authorities of the Czechoslovak Republic and the Kingdom of the Serbs, Croats, and Slovenes shall decide, by mutual agreement, upon the provisions necessary for the execution of the present Convention.

ARTICLE 3

Neither of the High Contracting Parties shall conclude an alliance with a third Power without preliminary notice to the other.

ARTICLE 4

The present Convention shall be valid for two years from the date of the exchange of ratifications. On the expiration of this period, each of the Contracting Parties shall have the option of denouncing the present Convention. It shall, however, remain in force for six months after the date of denunciation.

* * *

II. CONVENTION OF ALLIANCE BETWEEN THE
KINGDOM OF RUMANIA AND THE CZECHO-
SLOVAK REPUBLIC, SIGNED AT BUCHAREST ON
THE 23RD APRIL, 1921.

Firmly resolved to maintain the peace obtained by so many sacrifices, and provided for by the Covenant of the League of Nations, as well as the situation created by the Treaty concluded at Trianon on June 4, 1920, between the Allied and Associated Powers on the one hand, and Hungary on the other, the President of the Czechoslovak Republic and His Majesty the King of Rumania, have agreed to conclude a defensive Convention . . . [and the signatories] have agreed as follows:

ARTICLE I

In case of an unprovoked attack on the part of Hungary against one of the High Contracting Parties, the other party agrees to assist in the defense of the party attacked, in the manner laid down by the arrangement provided for in Article 2 of the present Convention.

ARTICLE 2

The competent Technical Authorities of the Czechoslovak Republic and Rumania shall decide by mutual agreement and in a Military Convention to be concluded, upon the provisions necessary for the execution of the present Convention.

ARTICLE 3

Neither of the High Contracting Parties shall conclude an alliance with a third Power without preliminary notice to the other.

ARTICLE 4

For the purpose of coördinating their efforts to maintain peace, the two Governments undertake to consult together on questions of foreign policy concerning their relations with Hungary.

ARTICLE 5

The present Convention shall be valid for two years from the date of the exchange of ratifications. On the expiration of this period each of the Contracting Parties shall have the option of denouncing the present Convention. It shall, however, remain in force for six months after the date of denunciation.

III. CONVENTION OF DEFENSIVE ALLIANCE BETWEEN RUMANIA AND THE KINGDOM OF THE SERBS, CROATS AND SLOVENES, SIGNED AT BELGRADE, JUNE 7, 1921.

Firmly resolved to maintain the peace obtained by so many sacrifices and the situation created by the Treaty concluded at Trianon on June 4, 1920, between the Allied and Associated Powers, of the one part, and Hungary, of the other part, and by the Treaty of Neuilly-sur-Seine, concluded on November 27,

1919, between the Allied and Associated Powers, of the one part, and Bulgaria, of the other part, His Majesty the King of Rumania and His Majesty the King of the Serbs, Croats and Slovenes have agreed to conclude a Defensive Convention . . . [and the signatories] have agreed as follows:

ARTICLE 1

In case of an unprovoked attack on the part of Hungary or of Bulgaria or of both these Powers against one of the High Contracting Parties with the object of subverting the situation created by the Treaty of Peace concluded at Trianon, or by that concluded at Neuilly-sur-Seine, the other Party agrees to assist in the defence of the Party attacked in the manner laid down by the arrangement provided for in Article 2 of the present Convention.

ARTICLE 2

The competent technical authorities of Rumania and of the Kingdom of Serbs, Croats and Slovenes shall by mutual agreement determine in a military Convention to be concluded as soon as possible, the provisions necessary for the execution of the present Convention.

ARTICLE 3

Neither of the High Contracting Parties shall conclude an alliance with a third Power without first giving notice to the other.

ARTICLE 4

For the purpose of coördinating their efforts to maintain peace, the two Governments undertake to consult together on questions of foreign policy concerning their relations with Hungary and Bulgaria.

ARTICLE 5

The present Convention shall be valid for two years from the date of the exchange of ratifications. On the expiration of this period each of the Contracting Parties shall have the right to denounce the present Convention. It shall, however, remain in force for six months after the date of denunciation.

* * *

IV. TREATY OF ALLIANCE BETWEEN THE KING-
DOM OF THE SERBS, CROATS AND SLOVENES
AND THE CZECHOSLOVAK REPUBLIC, SIGNED
AT MARIANSKE LAZNE, AUGUST 31, 1922.

The Governments of the Kingdom of the Serbs, Croats and Slovenes, and the Czechoslovak Republic desirous of prolonging and completing the Agreement concluded between them on August 14, 1920, by new provisions having the following objects:

- (a) the strengthening and maintenance of peace;
- (b) the consolidation and extension of the political and economic bonds between the two States,

have accepted, by common agreement, the following Articles . . . [and the signatories] have agreed as follows:

ARTICLE 1

The Agreement concluded at Belgrade, on August 14, 1920, between the Kingdom of the Serbs, Croats and Slovenes and the Czechoslovak Republic is prolonged for the duration of the present Convention.

ARTICLE 2

The High Contracting Parties take note of the political and military treaties and of the agreements concluded between the

Czechoslovak Republic and Rumania, Austria and Poland on the one hand, and of the similar agreements concluded between the Kingdom of the Serbs, Croats and Slovenes, and Rumania and Italy on the other hand.

ARTICLE 3

The High Contracting Parties will endeavour to establish on a solid foundation all their economic, financial and transport relations and mutually to ensure the closest coöperation: in these relations; for this purpose they will conclude arrangements on these subjects, and particularly a commercial treaty for this purpose.

ARTICLE 4

The two High Contracting Parties undertake to give each other in general all possible political and diplomatic support in their international relations; should they consider their common interests to be threatened, they undertake to consider together steps for their protection.

ARTICLE 5

The proper authorities of the Kingdom of the Serbs, Croats and Slovenes and the Czechoslovak Republic shall come to a mutual understanding with a view to taking all the steps necessary for the application of the present Convention.

ARTICLE 6

The present Convention shall remain in force for five years from the date on which the instruments of ratification are exchanged.

At the expiration of these five years either of the High Contracting Parties shall be free to denounce the present Convention giving six months' previous notice to the other Party.

N. B. The above texts of the official translation are taken from the League of Nations Treaty Series, volumes VI, XIII, and LIV, respectively.

On May 21, 1929, the Little Entente Foreign Ministers in conference at Belgrade prolonged these treaties for another five years, and a clause was added thereto making their renewal automatic, in default of outright denunciation by one of the Signatory Powers, at the end of the five-year period.

APPENDIX B

GENERAL ACT OF CONCILIATION, ARBITRATION AND JUDICIAL SETTLEMENT BETWEEN THE STATES OF THE LITTLE ENTENTE¹

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC, HIS MAJESTY THE KING OF RUMANIA,
and

HIS MAJESTY THE KING OF THE SERBS, CROATS
AND SLOVENES,

Inspired by the friendly relations existing between their respective nations and imbued with the spirit of confident cordiality which characterises their reciprocal intercourse;

Sincerely desirous of ensuring, by pacific means, the settlement of any disputes which may arise between their countries;

Noting that respect for the rights established by treaties or arising out of international law is binding upon international courts;

Recognising that the rights of each State cannot be modified without its consent;

Considering that the faithful observance, under the auspices of the League of Nations, of methods of pacific procedure will permit of the settlement of all international disputes;

Highly appreciating the recommendation made to all States by the Assembly of the League of Nations, in its resolution of

¹ Translated by the Secretariat of the League of Nations.

September 26th, 1928, to conclude conventions for the pacific settlement of international disputes;

Have resolved to give effect to their common intention in a Convention, and with that object have appointed as their Plenipotentiaries:

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC:

His Excellency Dr. Edvard Benes, Minister for Foreign Affairs of the Czechoslovak Republic;

HIS MAJESTY THE KING OF RUMANIA:

His Excellency Monsieur George Mironescu, Minister for Foreign Affairs of the Kingdom of Rumania;

HIS MAJESTY THE KING OF THE SERBS, CROATS AND SLOVENES:

His Excellency Monsieur Kosta Kumanudi, Doctor of Law and Acting Minister for Foreign Affairs of the Kingdom of the Serbs, Croats and Slovenes;

Who, having deposited their full powers, found in good and due form, have agreed on the following provisions:

CHAPTER I—PACIFIC SETTLEMENT IN GENERAL

ARTICLE I

Disputes of every kind which may arise between the High Contracting Parties, or between two of them, and which it has not been possible to settle by diplomacy shall be submitted, under the conditions laid down in the present Convention, for settlement by judicial means or arbitration, preceded, according to circumstances, as a compulsory or optional measure, by recourse to the procedure of conciliation.

This provision does not apply to disputes arising out of events prior to the present Convention and belonging to the past, or to disputes relating to questions which, according to international law, fall within the sole competence of the States.

ARTICLE 2

1. Disputes for the settlement of which a special procedure is laid down in other conventions in force between the High Contracting Parties shall be settled in conformity with the provisions of those conventions.

2. The present Convention shall not affect any agreements in force by which conciliation procedure is established between the High Contracting Parties or by which the High Contracting Parties have assumed obligations to resort to arbitration or judicial settlement for the purpose of settling the dispute. If, however, these agreements provide only for a procedure of conciliation, the provisions of the present Convention concerning judicial settlement or arbitration shall be applied after such procedure has been followed without result.

ARTICLE 3

1. In the case of a dispute the occasion of which, according to the municipal law of one of the High Contracting Parties, falls within the competence of the judicial authorities, the Party in question may object to the dispute being submitted for settlement by the various procedures laid down in the present Convention.

2. A dispute which falls within the competence of the administrative authorities may not be submitted for settlement by the various procedures laid down in the present Convention until a final decision has been pronounced, within a reasonable time, by the competent authority.

In such case, the Party which desires to resort to the procedures laid down in the present Convention must notify the other Party of its intention within a period of one year from the date of the aforementioned decision.

CHAPTER II—JUDICIAL SETTLEMENT

ARTICLE 4

All disputes with regard to which the Parties are in conflict as to their respective rights shall be submitted for decision to the Permanent Court of International Justice, unless the Parties agree, in the manner hereinafter provided, to have resort to an arbitral tribunal.

It is understood that the disputes referred to above include in particular those mentioned in Article 36 of the Statute of the Permanent Court of International Justice.

ARTICLE 5

If the Parties agree to submit the disputes mentioned in the preceding article to an arbitral tribunal, they shall draw up a special agreement in which they shall specify the subject of the dispute, the selection of the arbitrators and the procedure to be followed. In the absence of sufficient particulars in the special agreement, the provisions of the Hague Convention of October 18th, 1907, for the Pacific Settlement of International Disputes, shall apply so far as is necessary. If nothing is laid down in the special agreement as to the rules regarding the substance of the dispute to be followed by the arbitrators, the tribunal shall apply the substantive rules enumerated in Article 38 of the Statute of the Permanent Court of International Justice.

ARTICLE 6

If the Parties fail to agree concerning the special agreement referred to in the preceding article, or fail to appoint arbitrators, either Party shall be at liberty, after giving three months' notice, to bring the dispute by an application direct before the Permanent Court of International Justice.

ARTICLE 7

1. In the case of the dispute mentioned in Article 4, before any procedure before the Permanent Court of International Justice or any arbitral tribunal, the Parties may agree to have recourse to the conciliation procedure provided for in the present Convention.

2. In the event of recourse to and failure of conciliation, neither Party may bring the dispute before the Permanent Court of International Justice or call for the constitution of the arbitral tribunal referred to in Article 5 before the expiration of one month from the termination of the proceedings of the Conciliation Commission.

CHAPTER III—CONCILIATION

ARTICLE 8

All disputes between the parties other than the disputes mentioned in Article 4 shall be submitted obligatorily to a procedure of conciliation before they can form the subject of a settlement by arbitration.

ARTICLE 9

The disputes referred to in the preceding article shall be submitted to a permanent or special Conciliation Commission constituted by the High Contracting Parties.

ARTICLE 10

On a request to that effect being made by one of the Contracting Parties to the other Party, a permanent Conciliation Commission shall be constituted within a period of six months.

ARTICLE 11

Unless the parties agree otherwise, the Conciliation Commission shall be constituted as follows:

1. The Commission shall be composed of five members. The Parties shall each nominate one commissioner, who may be chosen from among their respective nationals. The three other commissioners shall be appointed by agreement from among the nationals of third Powers. These three commissioners must be of different nationalities and must not be habitually resident in the territory nor be in the service of the Parties concerned. The High Contracting Parties shall appoint the President of the Commission from among their number.

2. The commissioners shall be appointed for three years. They shall be re-eligible. The commissioners appointed jointly may be replaced during the course of their mandate by agreement between the Parties. Any one of the High Contracting Parties may, however, at any time replace the commissioner whom it has appointed. Even if replaced, the commissioners shall continue to exercise their functions until the termination of the work in hand.

3. Vacancies which may occur as a result of death, resignation or any other cause shall be filled within the shortest possible time in the manner fixed for the nominations.

ARTICLE 12

If, when a dispute arises, no permanent Conciliation Commission appointed by the Parties is in existence, a special commission shall be constituted for the examination of the dispute within a period of three months from the date on which a request to that effect is made by one of the Parties to the other Party. The necessary appointments shall be made in the manner laid down in the preceding article, unless the Parties decide otherwise.

ARTICLE 13

1. If the appointment of the commissioners to be designated jointly is not made within the periods provided for in Articles

10 and 12, the making of the necessary appointments shall be entrusted to a third Power, chosen by agreement between the Parties or, on request of the Parties, to the Council of the League of Nations.

2. If no agreement is reached on either of these procedures, each Party shall designate a different Power and the appointments shall be made jointly by the Powers thus chosen.

3. If, within a period of three months, these two Powers have been unable to reach an agreement, each of them shall submit a number of candidates equal to the number of members to be appointed. It shall then be decided by lot which of the candidates thus designated shall be appointed.

ARTICLE 14

1. Disputes shall be brought before the Conciliation Commission by means of an application addressed to the President by the two Parties acting in agreement, or, in default thereof, by one or other of the Parties.

2. The application, after giving a summary account of the subject of the dispute, shall contain the invitation to the Commission to take all necessary steps with a view to arriving at an amicable solution.

3. If the application emanates from only one of the Parties, the other Party shall without delay be notified by it.

ARTICLE 15

1. Within fifteen days from the date on which a dispute has been brought by one of the Parties before a permanent Conciliation Commission, any Party may replace its own commissioner, for the examination of the particular dispute, by a person possessing special competence in the matter.

2. The Party making use of this right shall immediately notify the other Party; the latter shall in such case be entitled to take similar action within fifteen days from the date on which it received the notification.

ARTICLE 16

In the absence of agreement to the contrary between the Parties, the Conciliation Commission shall meet at a place selected by its President.

ARTICLE 17

The work of the Conciliation Commission shall not be conducted in public unless a decision to that effect is taken by the Commission with the consent of the Parties.

ARTICLE 18

1. In the absence of agreement to the contrary between the Parties, the Conciliation Commission shall lay down its own procedure, which in any case must provide for the Parties being heard. In regard to enquiries, the Commission, unless it decided unanimously to the contrary, shall act in accordance with the provisions of Part III of the Hague Convention of October 18th, 1907, for the Pacific Settlement of International Disputes.

2. The Parties shall be represented before the Conciliation Commission by agents, whose duty shall be to act as intermediaries between them and the Commission. They may, moreover, be assisted by counsel and experts appointed by them for that purpose and may request that all persons whose evidence appears to them desirable shall be heard.

3. The Commission, for its part, shall be entitled to request oral explanations from the agents, counsel and experts of both Parties, as well as from all persons, it may think desirable to summon with the consent of their Governments.

ARTICLE 19

In the absence of agreement to the contrary between the Parties, decisions of the Conciliation Commission shall be taken by a majority vote, and the Commission may only take decisions on the substance of the dispute if all its members are present.

ARTICLE 20

The High Contracting Parties undertake to facilitate the work of the Conciliation Commission, and in particular to supply it to the greatest possible extent with all relevant documents and information, as well as to use the means at their disposal to allow it to proceed in their territory, and in accordance with their law, to the summoning and hearing of witnesses or experts and to visit the localities in question.

ARTICLE 21

1. During the proceedings of the Commission, each of the commissioners shall receive emoluments the amount of which shall be fixed by agreement between the Parties, each of which shall contribute an equal share.

2. The general expenses arising out of the working of the Commission shall be divided in the same manner.

ARTICLE 22

1. The task of the Conciliation Commission shall be to elucidate the questions in dispute, to collect with that object all necessary information by means of enquiry or otherwise, and to endeavour to bring the Parties to an agreement. It may, after the case has been examined, inform the Parties of the terms of settlement which seem suitable to it, and lay down the period within which they are to make their decision.

2. At the close of its proceedings, the Commission shall draw up a procès-verbal stating, as the case may be, either that the Parties have come to an agreement, and, if need arises, the terms of the agreement, or that it has been impossible to effect a settlement. No mention shall be made in the procès-verbal as to whether the Commission's decisions were taken unanimously or by a majority vote.

3. The proceedings of the Commission must, unless the Parties agree otherwise, be terminated within six months from the date on which the Commission shall have been given cognisance of the dispute.

ARTICLE 23

The Commission's procès-verbal shall be communicated without delay to the Parties. The Parties shall decide whether it shall be published.

CHAPTER IV—SETTLEMENT BY ARBITRATION

ARTICLE 24

If the Parties have not reached an agreement within a month from the termination of the proceedings of the Conciliation Commission mentioned in the previous articles, the question shall be brought before an arbitral tribunal which, unless the Parties agree otherwise, shall be constituted in the manner indicated below.

Should, however, both Parties agree, the question may, if it is a political one, be submitted to the Council of the League of Nations, which shall decide in accordance with Article 15 of the Covenant.

ARTICLE 25

The arbitral tribunal shall consist of five members. The Parties shall each nominate one member, who may be chosen from among their respective nationals. The other two arbitrators and the umpire shall be chosen by agreement from among the nationals of third Powers. They must be of different nationalities, and must not be habitually resident in the territory or be in the service of the Parties concerned.

ARTICLE 26

1. If the appointment of the members of the arbitral tribunal is not made within a period of three months from the date on which one of the Parties requested the other Party to constitute an arbitral tribunal, a third Power, chosen by agreement between

the Parties, shall be requested to make the necessary appointments.

2. If no agreement is reached on this point, each Party shall designate a different Power, and the appointments shall be made jointly by the Powers thus chosen.

3. If within a period of three months the Powers so chosen have been unable to reach an agreement, the necessary appointments shall be made by the President of the Permanent Court of International Justice. If the latter is prevented from acting or if he is a national of one of the Parties, the appointments shall be made by the Vice-President. If the latter is prevented from acting or if he is a national of one of the Parties, the appointments shall be made by the oldest member of the Court who is not a national of either Party.

ARTICLE 27

Vacancies which may occur as a result of death, resignation or other cause shall be filled within the shortest possible time in the manner fixed for the nominations.

ARTICLE 28

The Parties shall draw up a special agreement determining the subject of the dispute and the details of the procedure.

ARTICLE 29

In the absence of sufficient particulars in the special agreement regarding the matters referred to in the preceding article, the provisions of the Hague Convention of October 18th, 1907 for the Pacific Settlement of International Disputes shall apply so far as is necessary.

ARTICLE 30

Failing the conclusion of a special agreement within a period of three months from the date on which the tribunal is constituted, the dispute may be brought before the tribunal by an application from one or other Party.

ARTICLE 31

If nothing is laid down in the special agreement or no special agreement has been made, the tribunal shall apply the rules in regard to the substance of the dispute enumerated in Article 38 of the Statute of the Permanent Court of International Justice. In so far as there exist no such rules applicable to the dispute, the tribunal shall decide *ex aequo et bono*.

CHAPTER V—DISPUTES BETWEEN THE THREE CONTRACTING PARTIES

ARTICLE 32

Should a dispute arise between all the High Contracting Parties, the following rules shall be observed with regard to the procedures described in the foregoing provisions:

As regards conciliation procedure, a special commission shall always be set up. The composition of the commission shall vary according to whether all the Parties have separate interests, or two of them act conjointly.

In the former case, the Parties shall each appoint one commissioner, and shall jointly appoint commissioners, nationals of third Powers, who shall number one more than the commissioners appointed separately by the Parties.

In the latter case, the Parties acting conjointly shall agree to appoint their own commissioner jointly, and at the same time agree with the other Party as regards the appointment of the commissioners chosen from among the nationals of third Powers.

In either case the Parties shall, unless they agree otherwise, apply Articles 12 *et seq.* of the present Convention in so far as these are compatible with the provisions of the present article.

As regards judicial procedure, the Statute of the Permanent Court of International Justice shall apply.

As regards arbitration, if the Parties fail to agree on the composition of the tribunal, any Party may, in the case of disputes

referred to in Article 4, bring the dispute by an application direct before the Permanent Court of International Justice; in the case of disputes referred to in Article 8, Articles 25 *et seq.* shall apply, but each of the Parties which has separate interests shall appoint one arbitrator and the arbitrators appointed separately by the Parties shall always number one less than the other arbitrators.

CHAPTER VI.—GENERAL PROVISIONS

ARTICLE 33

1. In all cases where a dispute forms the object of arbitration or judicial proceedings, and in particular if the question on which the Parties differ arises out of acts already committed or on the point of being committed, the Permanent Court of International Justice, acting in accordance with Article 41 of its Statute, or the arbitral tribunal, shall lay down within the shortest possible time the provisional measures to be adopted. The Parties shall be bound to comply with such measures.

2. If the dispute is brought before a Conciliation Commission, the latter may recommend to the Parties the adoption of such provisional measures as it considers suitable.

3. The Parties undertake to abstain from all measures likely to react prejudicially on the execution of the judicial decision or arbitral award or on the arrangements proposed by the Conciliation Commission, and, in general, to abstain from any act whatsoever which might aggravate or extend the dispute.

ARTICLE 34

If in the judicial decision or arbitral award it is declared that a judgment or measure enjoined by a court of law or any other authority of one of the Parties to the dispute is wholly or partly contrary to international law, and if the constitutional law of that Party does not allow or only imperfectly allows of the consequences of the judgment or measure in question being annulled, the Parties agree that the judicial decision or arbitral award shall grant the injured Party equitable satisfaction.

ARTICLE 35

1. The present Convention shall be applicable as between the High Contracting Parties, even though a third Power has an interest in the dispute.

2. In conciliation procedure, the Parties may agree to invite such third Power to intervene.

3. In judicial procedure or arbitration, if a third Power should consider that it has an interest of a legal nature which may be affected by the decision in the case, it may submit to the Permanent Court of International Justice or to the arbitral tribunal a request to intervene as a third party.

It will be for the Court or the tribunal to decide upon this request.

4. Whenever the question is one relating to the interpretation of a Convention to which States other than those concerned in the case are Parties, the Registrar of the Permanent Court of International Justice or the arbitral tribunal shall notify all such States forthwith.

Every State so notified has the right to intervene in the proceedings, but if it uses this right, the interpretation given in the decision shall be binding upon it.

ARTICLE 36

Disputes relating to the interpretation or the application of the present Convention, including those concerning the classification of disputes, shall be submitted to the Permanent Court of International Justice.

ARTICLE 37

The present Convention, which is in conformity with the Covenant of the League of Nations, shall not be interpreted as restricting the duty of the League to take at any time, whatever action may be deemed wise and effectual to safeguard the peace of the world.

ARTICLE 38

1. The present Convention shall be ratified and the instruments of ratification shall be exchanged at Bucharest.

It shall be registered with the Secretariat of the League of Nations.

2. The present Convention shall remain in force for a period of five years from the date of the exchange of ratifications.

3. Unless denounced at least six months before the expiration of this period, it shall remain in force for a further period of five years, and similarly thereafter.

4. Notwithstanding denunciation by one of the Contracting Parties, all proceedings pending at the expiration of the current period of the Convention shall be duly completed.

IN FAITH WHEREOF the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Belgrade in triplicate on May 21st, one thousand nine hundred and twenty-nine.

(L.S.) DR. EDVARD BENES

(L.S.) G. G. MIRONESCU

(L.S.) DR. K. KUMANUDI

APPENDIX C

FORMULA OF THE SOLEMN OATH TAKEN BY KING CHARLES IV AT HIS CORONATION IN 1917¹

We, Charles the First, by Grace of God Emperor of Austria, King of Bohemia, etc., and Apostolic King of Hungary, of this name the Fourth, swear by the living God, the blessed Holy Virgin Mary, and all God's Saints—to maintain in their rights, prerogatives, their freedom and privileges, their laws, good old and confirmed customs the Churches of the Lord, the municipalities of Hungary and of the Croatian, Slavonian and Dalmatian countries, the ecclesiastical and lay inhabitants thereof whatever rank they may belong to, to administer justice to any one, to uphold intact the rights, constitution, legal independence and territorial integrity of Hungary, the Croatian, Slavonian and Dalmatian countries, as well as to preserve the integrity and the constitution of the Croatian, Slavonian and Dalmatian countries, forming one and the same political unit with Hungary, to observe the statutes given by King Andrew the Second, of blessed memory, excepting, however, the final clause of the thirty-first article of law,² beginning with the words: "Quodsi vero nos . . ."

¹ Passed by the Chamber of Deputies December 18, 1916, and by the Chamber of Magnates in their sitting of December 20, 1916. Translated by the American Legation, Budapest.

² Text of the clause of the thirty-first Article of King Andrew the Second's Golden Bull (the Magna Charta of Hungary) granted A.D. 1222, and referred to in the formula as not being binding on the last Hapsburg Monarch:

"Inasmuch as We, Ourselves, or one of Our successors should ever act contrary to this Our disposition, liberty be granted by the authority of this Our Charter to the bishops, other bannerets and noblemen

and ending: "in perpetuum facultatem"; not to alienate the frontiers of Hungary and of the Croatian, Slavonian and Dalmatian countries, and of all those parts, which by legal or any other title belong to these countries, nor to diminish them, and to do everything fairly in Our power to further the interest of these Our countries, their glory and their prosperity.

So help us God and all His Saints!

of the Kingdom, universally and singly, to those present, those to come in the future and to their descendants, to resist and contradict Us, as well as Our successors, without drawing down upon themselves the blame of felony, and this liberty to last for ever and ever."

APPENDIX D

THE HAPSBURG DETHRONEMENT ACT OF NOVEMBER 6, 1921¹

LAW NO. XLII, 1921.

Concerning the cessation of the sovereign rights of His Majesty Charles IV and the rights of succession of the House of Hapsburg.

I hereby inform all whom it may concern that the National Assembly of Hungary has passed the following law:

1. The right to reign of Charles IV has ceased.
2. The Pragmatic Sanction and all other stipulations of Law I and II of 1723, fixing and regulating the right of Succession of the House of Austria (*Domus Austriaca*) are abrogated for all time and the privilege of electing a King has thereby returned to the Nation.
3. The Nation returns to the Kingdom's ancient form of Government, but postpones the occupation of the royal throne until a later date, and directs the Ministry to submit at the suitable time proposals relative thereto.
4. This law takes effect on the day of its publication.

I order herewith that the above law be published and this law being the will of the Nation, I will obey it and see that it is obeyed by others.

Budapest, November 6, 1921.

(sd) NICHOLAS HORTHY
Governor of Hungary

(sd) COUNT STEPHEN BETHLEN
Royal Hungarian Prime Minister.

¹ Taken from the Hungarian Official Gazette, Budapesti Kozlony, and translated by the American Legation, Budapest. Published in the Statute of Hungarian Laws on November 6, 1921.

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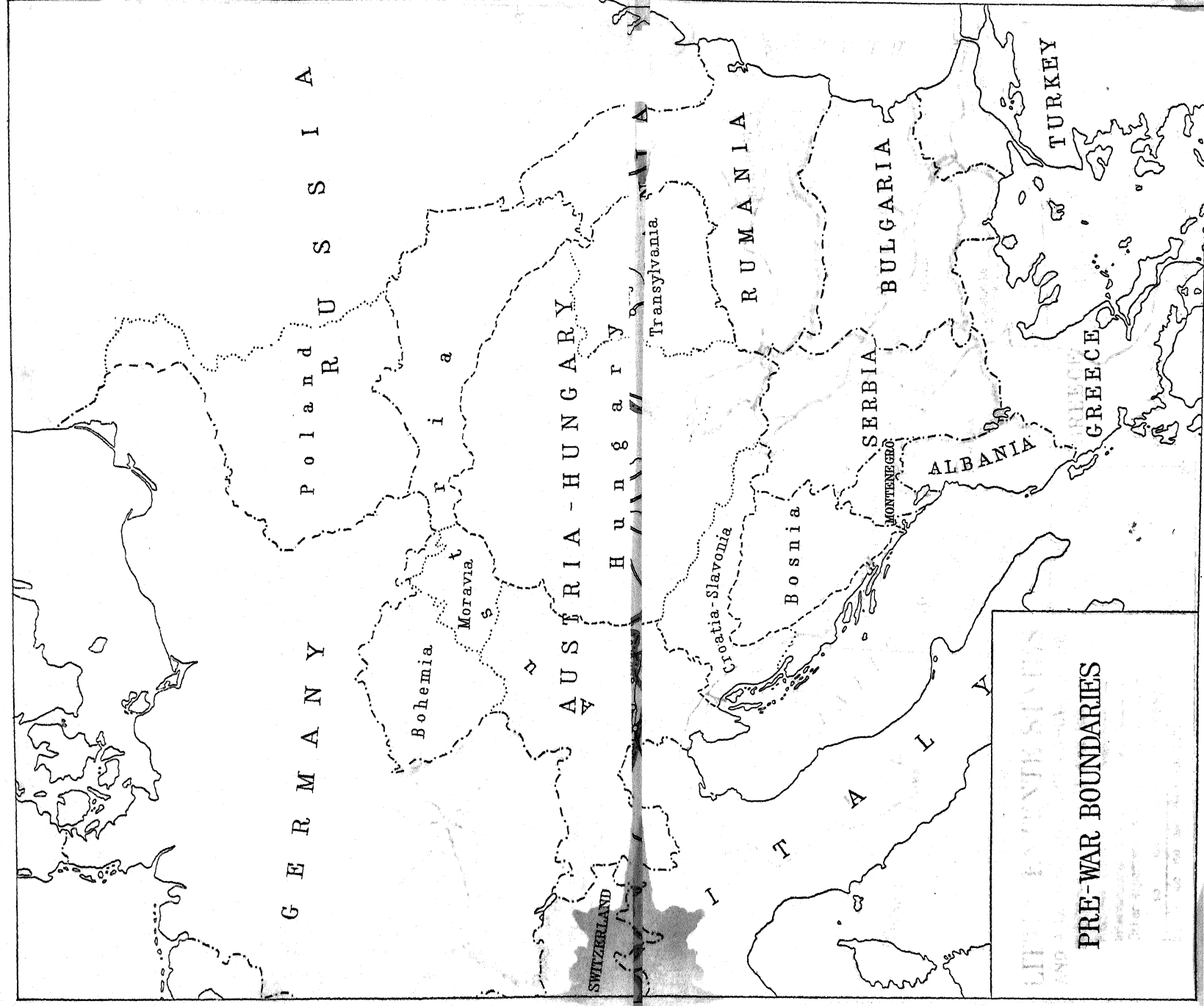
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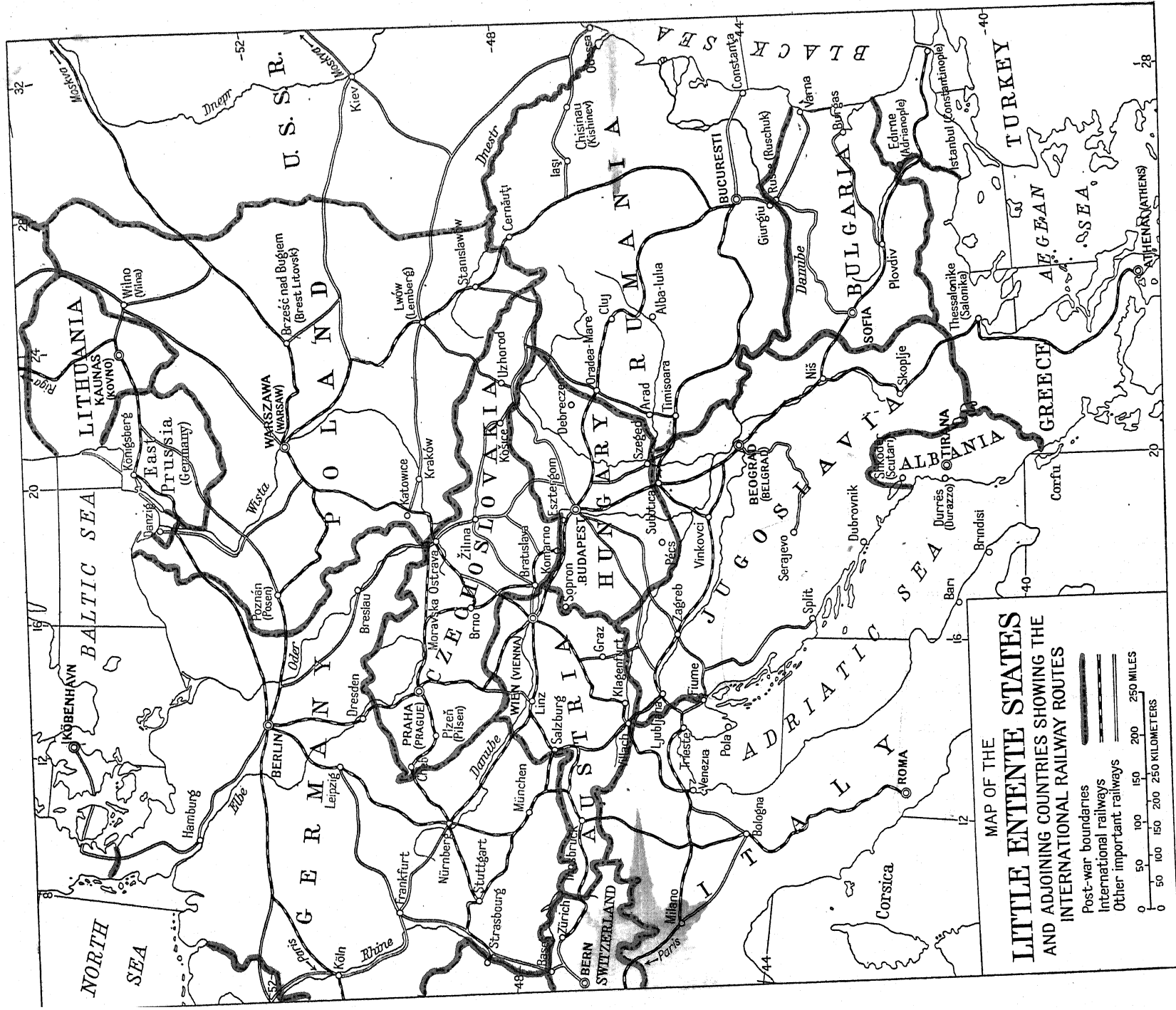
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MAP OF THE
LITTLE ENTENTE STATES
AND ADJOINING COUNTRIES SHOWING THE
INTERNATIONAL RAILWAY ROUTES

- Post-war boundaries
- International railways
- Other important railways

0 50 100 150 200 250 MILES
0 50 100 150 200 250 KILOMETERS

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